

BOARD MEETING DATE: April 6, 2018

AGENDA NO. 9

PROPOSAL: Appoint Members to Deferred Compensation Plan Committee

SYNOPSIS: SCAQMD sponsors an IRS-approved 457 deferred compensation program for its employees. The Deferred Compensation Plan Committee oversees the implementation of the program. Pursuant to the Committee Charter, the Board appoints new members to the Committee whenever vacancies occur. One member retired in February 2018 and another member recently resigned. This action is to appoint General Counsel Bayron Gilchrist and Assistant Deputy Executive Officer Sujata Jain as successors to these members.

COMMITTEE Administrative, March 9, 2018; Recommended for Approval

RECOMMENDED ACTION:

Appoint Bayron Gilchrist, General Counsel, and Sujata Jain, Assistant Deputy Executive Officer/Finance, to the Deferred Compensation Plan Committee effective April 6, 2018.

Wayne Natri
Executive Officer

AJO:mm

Background

SCAQMD sponsors and administers a 457 deferred compensation program for its employees. State law governs the fiduciary requirement for the operation and investment of 457 plans sponsored by governmental entities. SCAQMD's Governing Board serves a fiduciary role subject to the duties and obligations under Article XVI, Section 17 of the California Constitution. To meet its fiduciary responsibilities, the Board, at the time it established SCAQMD's 457 Plan, also established a Deferred Compensation Plan Committee to oversee the administration of the Plan. On May 2, 2008, the Board approved the Deferred Compensation Plan Committee Charter, formalizing the fiduciary duties and responsibilities of the Committee.

The plan is administered by Massachusetts Mutual Life Insurance Company, a retirement services, asset management and insurance firm. In addition to the retirement plan administrator, SCAQMD utilizes an independent, third-party consulting firm, Benefit Financial Services Group (BFSG), to provide services to the Plan as a fiduciary under a Registered Investment Advisor agreement.

The four members of the Deferred Compensation Plan Committee were the Chief Administrative Officer, the Assistant Deputy Executive Officer/Administrative and Human Resources, the Human Resources Manager over employee benefits, and the General Counsel. Article 8.1 of the Committee Charter provides that whenever there is a vacancy on the Committee, the Board appoints successors. The former General Counsel, Kurt Wiese, retired from SCAQMD in February 2018, and Chief Administrative Officer Michael O'Kelly recently resigned his position.

Proposal

Appoint the new General Counsel, Bayron Gilchrist, and the Assistant Deputy Executive Officer/Finance, Sujata Jain, to the Deferred Compensation Committee effective April 6, 2018 to replace the outgoing members of the Committee.