

GOLDEN GATE BRIDGE, HIGHWAY AND TRANSPORTATION DISTRICT

RESOLUTION NO. 2012-102

**APPROVE TERMINATION OF THE SUPPLEMENTAL RETIREMENT PLAN
AND ADOPTION OF A DEFINED CONTRIBUTION PLAN**

December 14, 2012

WHEREAS, the Golden Gate Bridge, Highway and Transportation District (District) maintains a Supplemental Retirement Plan (SERP), which currently covers three officers: General Manager Denis J. Mulligan Auditor-Controller Joseph M. Wire, and Secretary of the District Janet S. Tarantino; and, under which, each officer is entitled to monthly annuity payments upon his/her retirement; and,

WHEREAS, as required by the terms of the District's Employment Agreements with these officers, the District has contributed amounts towards each officer's benefit under the Supplemental Retirement Plan (SERP) and, each year, the District's actuary, Buck Consultants, has calculated the amount of each officer's projected retirement benefit under the SERP, based on the total District contributions allocated to that officer; and,

WHEREAS, administration of the SERP is difficult and time-consuming, as well as cumbersome; and,

WHEREAS, administration of the SERP is expensive, requiring payment of fees to the actuary for calculating distributions upon an executive's retirement, in addition to staff time and annual out-of-pocket costs of approximately \$4,500.00 annually for the actuarial fee; and,

WHEREAS, in view of the foregoing, and recognizing the intent of the legislature with respect to supplemental defined benefit plans as promulgated in the California Public Employees' Pension Reform Act of 2013, it is prudent that the District terminate the SERP and adopt a substitute plan for the SERP in the form of a new 401(a) defined-contribution plan (401(a) Plan), effective January 1, 2013; and,

WHEREAS, the 401(a) Plan (attached) is comprised of two parts: (1) a basic plan document, and, (2) an adoption agreement, which an adopting employer must fill out in order to elect certain features affecting the plan's operation and administration; and,

WHEREAS, the District can use the 401(a) Plan to provide additional retirement benefits to current or future employees, while administration of the 401(a) Plan will be done by ICMA Retirement Corporation (ICMA), and no annual actuarial study will be required; and,

WHEREAS, the ICMA 401(a) Plan Defined Contribution Plan's expenses will be paid by the participants, and not the District, and it is anticipated they will charge no administrative fees; and,

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WHEREAS, the Rules, Policy and Industrial Relations Committee/Committee of the Whole, at its meeting of December 14, 2012, has so recommended; now, therefore, be it

RESOLVED that the Board of Directors (Board) of the Golden Gate Bridge, Highway and Transportation District hereby authorizes termination of the existing defined benefit Supplemental Retirement Plan; and, be it further

RESOLVED that the Board hereby directs the Auditor-Controller and the Attorney to complete and execute any documents and take any other appropriate actions necessary to effectuate termination of the Supplemental Retirement Plan; and, be it further

RESOLVED that the Board hereby adopts the ICMA 401(a) Defined Contribution Plan, as set forth in the staff report; and, be it further

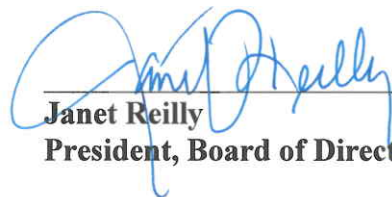
RESOLVED that the Board hereby directs the Auditor-Controller to complete and execute any documents and take any other appropriate actions necessary to effectuate the adoption of the Plan.

ADOPTED this 14th day of December 2012, by the following vote of the Board of Directors:


AYES (17): Directors Arnold, Chu, Cochran, Elsbernd, Fredericks, Mar, Moylan, Pahre, Rabbitt, Renée, Sears, Snyder, Sobel and Stroeh; Second Vice President Grosboll; First Vice President Eddie; President Reilly

NOES (0): None

ABSENT (2): Directors Campos and Theriault



Janet Reilly
President, Board of Directors

ATTEST: 

Janet S. Tarantino
Secretary of the District