



BOARD MEETING AGENDA SUBMITTAL

TO: CVCS Board of Directors

FROM: Peter Kampa, General Manager

DATE: August 20, 2024

SUBJECT: Item 7e) Adoption of a Resolution Approving Sponsorship of a 457 Deferred Compensation Retirement Plan

RECOMMENDED ACTION:

I make a motion to authorize staff to work with Zuk Financial Group to prepare an application and supporting documents to establish a 457 Retirement Plan for the District.

BACKGROUND:

The district currently provides retirement contributions for two of its management employees. The way this is done is with a single annual check made out to the employees chosen retirement account. This has proven to be an extremely cumbersome process for one reason or another and does not provide the employee the tax benefits that they could receive by using a different retirement plan structure.

Many public agencies agreed to sponsor a 457 deferred compensation plan, which allows employees to differ compensation pretax into the account. This type of deferred compensation account would allow for automatic deposits for the employees receiving retirement benefits, at each paycheck or on an annual basis. Any fees charged for the management of the retirement plan is paid by the employee, and is typically very nominal. There is no upfront cost to establish this plan. If approved today, we would return in October 2024 with the program application documents.

We propose to work with:
Nicole Kikugawa, Financial Advisor
LPL Registered Representative
Valley Wealth Strategies