

# STAFF REPORT

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**DATE:** August 26, 2024  
**TO:** Sacramento Regional Transit Board of Directors  
**FROM:** Jason Johnson, VP, Finance/CFO  
**SUBJ:** DELEGATING AUTHORITY TO THE GENERAL MANAGER/CEO TO EXECUTE ONE OR MORE AMENDMENTS OF THE SACRAMENTO REGIONAL TRANSIT DISTRICT 401(A) PLAN REQUIRED FOR EMPLOYER MATCHING CONTRIBUTIONS

## RECOMMENDATION

Adopt the Attached Resolution.

## RESULT OF RECOMMENDED ACTION

Authorize employer matching contributions to the Sacramento Regional Transit District 401(a) Plan – in order to implement Article 37.05 of the Collective Bargaining Agreement (CBA) approved for the American Federation of State, County and Municipal Employees, District Council 57, Local 146, Superintendent Unit (AFSCME Superintendent).

## FISCAL IMPACT

In line with the preliminary data considered during the collective bargaining process, staff estimates that implementing an employer matching contribution for the AFSCME Superintendent unit will cost approximately \$28,847 for the first twelve-month period. This estimated cost is included in the FY 25 Operating Budget.

## DISCUSSION

Article 37.05 of the CBA contemplates the addition of a new employer contribution source for one of the defined contribution plans sponsored by the Sacramento Regional Transit District. As expressed in the CBA, this employer contribution will match 100% of an eligible employee's contributions to the Sacramento Regional Transit District Deferred Compensation Plan (Deferred Compensation Plan), up to three percent of pay.

To maximize the opportunity for voluntary retirement savings, the new employer contribution referenced in the CBA will be allocated to the Sacramento Regional Transit District 401(a) Plan (401(a) Plan). As permitted for that type of plan, those matching contributions will be fully vested and portable upon termination of employment, regardless of the eligible employee's years of service with the SacRT.

For SacRT to make employer matching contributions, however, the plan document for the 401(a) Plan must be amended. Accordingly, staff recommends that the Board, as plan sponsor of the 401(a) Plan, authorize the General Manager/CEO to amend the plan document and any required service agreements to permit employer matching contributions. Doing so will ensure that the plan document is compatible with the CBA and affirm that these new contributions can be accepted by the plan's recordkeeper, Nationwide Retirement Solutions, and invested in the funds selected by members of the AFSCME Superintendent Unit.

RESOLUTION NO. 2024-08-088

Adopted by the Board of Directors of the Sacramento Regional Transit District on this date:

August 26, 2024

**DELEGATING AUTHORITY TO THE GENERAL MANAGER/CEO TO EXECUTE ONE OR MORE AMENDMENTS OF THE SACRAMENTO REGIONAL TRANSIT DISTRICT 401(A) PLAN REQUIRED FOR EMPLOYER MATCHING CONTRIBUTIONS**

NOW, THEREFORE, BE IT HEREBY RESOLVED BY THE BOARD OF DIRECTORS OF THE SACRAMENTO REGIONAL TRANSIT DISTRICT AS FOLLOWS:

THAT, the Board delegates authority to the General Manager/CEO to perform all tasks necessary to allow employer matching contributions to the Sacramento Regional Transit District 401(a) Compensation Plan immediately and directs the appropriate staff to direct Nationwide Retirement Services to prepare and provide the necessary plan amendment document(s) for the General Manager/CEO to approve and execute.

THAT, the Board delegates authority to the General Manager/CEO to adopt and execute the amended plan document(s) for the Sacramento Regional Transit District Deferred Compensation Plan.

THAT, the Board hereby delegates authority to the General Manager/CEO to execute any other agreements, forms, or other ministerial items required by Nationwide Retirement Services to effectuate the aforementioned plan amendment.

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PATRICK KENNEDY, Chair

ATTEST:

HENRY LI, Secretary

By: \_\_\_\_\_  
Tabetha Smith, Assistant Secretary