



Midpeninsula Regional
Open Space District

R-25-151
Meeting 25-30
November 12, 2025

AGENDA ITEM 13

AGENDA ITEM

Governmental Money Purchase Plan and Trust (401(a)) and Retiree Health Savings, both set up as Employee-Only Contribution Plans, for Board Appointees

BOARD APPOINTEE EVALUATION COMMITTEE'S RECOMMENDATIONS

1. Adopt a Resolution implementing a new Money Purchase Plan (401(a)) and Trust for Board Appointees and authorize the CFO/Director of Administrative Services to execute all necessary and appropriate documents to establish and administer the Plan.
2. Adopt a Resolution implementing new Retiree Health Savings Plans for Board Appointees and authorize the CFO/Director of Administrative Services to execute all necessary and appropriate documents to establish and administer the Plan.

SUMMARY

The Board of Directors is considering extending two employee-only contribution plans to Board Appointees: (1) a Money Purchase Plan commonly known as a 401(a) and (2) a Retiree Health Savings Plan. These plans are already provided to other District employees and require a special Resolution to extend these plans to Board Appointees since they are subject to a separate employment agreement that is different from other staff. The eligible Board Appointees are: General Manager, General Counsel, and Controller.

DISCUSSION

In 2002, the Board of Directors (Board) adopted Resolution No. 02-12 implementing a 401(a) Qualified Retirement Plan for Midpeninsula Regional Open Space District (District) employees. A 401(a) plan is an alternative form of deferred compensation plan that a public employer can offer employees, without any direct cost to the employer. The maximum contribution amount allowed for 401(a) plans is much higher than, and a separate limit from, the 457 deferred compensation plan. The current 401(a) plan for regular District employees allows for an irrevocable election within 60 days of hire to participate in the Mandatory Participant Contribution portion of the Plan by electing to contribute 3, 6, or 10 percent of the participant's compensation for each plan year. This election is irrevocable and cannot be changed or stopped. Additionally, some regular District employees made an irrevocable election in 2009, or prior, to have the cash portion of their sick leave, based on the Sick Leave Conversion Program described below, deposited into the 401(a) plan upon separation from District employment.

In 2006, the Board adopted Resolution No. 06-52 implementing a Retiree Health Savings (RHS) Plan for regular District employees. A savings plan of this type permits employees to deposit

funds into a medical health benefit trust fund to pay for medical expenses that occur after retirement, such as medical/dental insurance premiums, out-of-pocket medical expenses, and qualified long-term care insurance premiums, all on a tax-free basis. The current RHS plan for regular District employees is based upon the Sick Leave Conversion Program as outlined in the Personnel Policies and Procedures Manual for unrepresented employees, the Field Employees Association (FEA) Memorandum of Understanding (MOU), and the Midpeninsula Rangers Peace Officers Association (POA) MOU. In summary, upon resignation, separation from service, or retirement from District employment, employees in good standing with ten (10) or more consecutive years of District employment (hired before August 9, 2006 for unrepresented employees and hired on or before June 30, 2006 for represented employees) shall have a percentage of their sick leave balance (based on years of service) deposited into an individual RHS account.

The current RHS and 401(a) plans are administered by MissionSquare Retirement formerly ICMA retirement Corporation (ICMA-RC).

Based on IRS rules, there are three types of contributions that may be made to a RHS and 401(a) plans:

- Employer contributions
- Mandatory* unused leave contributions of the employee
- Mandatory* pre-tax contributions of compensation of the employee

*Mandatory means the contributions are required by the plan – employees may not choose whether or not to make these contributions.

The IRS allows for RHS and 401(a) plans to apply to all regular employees (District's current plans), to a specific group of employees or collective bargaining unit, or to specific positions.

Board Appointees each have their own employment agreement with the District outlining the terms and conditions of their employment, including pay and benefits. As such, new RHS and 401(a) plans may be set up for the individual Board Appointees (General Manager, General Counsel and/or Controller), separate from the RHS and 401 (a) plans currently available to other employees. These plans will be set up to only include mandatory unused leave contributions from the employee, in accordance with the Personnel Rules and Regulations, and/or mandatory pre-tax contributions of compensation by the employee. Consistent with the existing RHS and 401a Plans for unrepresented and represented District employees, there will be no employer (District) contributions made to these new plans.

FISCAL IMPACT

Since these new 401(a) plans are being offered as an employee-only contribution, the costs to the District would involve only administrative time in establishing the plans and enrolling employees, which is a minimal amount.

Anyone joining the District before 2006 is already eligible for RHS and that liability is existing. Board Appointees that join(ed) the District after 2006 create an approximate liability of 70-80 percent of the value of their sick leave balance.

PRIOR BOARD AND COMMITTEE REVIEW

The recommendation was thoroughly reviewed by the Board Appointee Evaluation Committee, prior to review by the Board.

PUBLIC NOTICE

Public notice was provided as required by the Brown Act.

CEQA COMPLIANCE

This item is not a project subject to the California Environmental Quality Act.

NEXT STEPS

If approved, the CFO/Director of Administrative Services will work with Human Resources staff and MissionSquare to execute all necessary and appropriate documents to establish and administer the Plan.

Attachment(s)

1. Resolution Adopting the MissionSquare Retirement Governmental Money Purchase Plan and Trust (401(a))
2. Resolution Adopting the MissionSquare Retirement Health Savings (RHS) Program and Trust

Submitted by: Board Appointee Evaluation Committee
Director Cyr
Director Gleason
Director Riffle, Chair

Prepared by:
Rebecca Wolfe, Human Resources Supervisor

Contact person:
Candice Basnight, Human Resources Manager

RESOLUTION NO. XX-__

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE MIDPENINSULA
REGIONAL OPEN SPACE DISTRICT ADOPTING THE MISSIONSQUARE
RETIREMENT GOVERNMENTAL MONEY PURCHASE PLAN FOR BOARD
APPOINTEES**

WHEREAS, the Midpeninsula Regional Open Space District (“District”) Board of Directors (“Board”) hires Appointees (General Manager, General Counsel, and Controller) who render valuable services; and

WHEREAS, the establishment of a money purchase retirement plan benefits employees by providing funds for retirement and funds for their beneficiaries in the event of death; and

WHEREAS, the District desires that its money purchase retirement plan be offered and made eligible to Board Appointees and administered by MissionSquare Retirement;

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors hereby establishes or has established a money purchase retirement plan (the “Plan”) in the form of the MissionSquare Retirement Governmental Money Purchase Plan, pursuant to the specific provisions of the Adoption Agreement. The Plan shall be maintained for the exclusive benefit of eligible employees and their beneficiaries; and

BE IT FURTHER RESOLVED that the District hereby adopts the Declaration of Trust VantageTrust Company dated May 2001, intending this adoption to be operative with respect to any retirement or deferred compensation plan subsequently established by the District, if the assets of the Plan are to be invested in the trust created by such Declaration of Trust (the “VantageTrust”) that provides for the commingled investment of retirement funds.

BE IT FURTHER RESOLVED that the District hereby agrees to serve as trustee under the Plan and to invest funds held under the Plan in the Vantage Trust or in any other qualified investment options for the Plan; and

BE IT FURTHER RESOLVED that the CFO/Director of Administrative Services or his or her designee shall be the coordinator for the Plan; shall receive reports, notices, etc. from MissionSquare Retirement or the VantageTrust; shall cast, on behalf of the District, any required votes under the VantageTrust; may delegate any administrative duties relating to the Plan to appropriate departments; and

BE IT FURTHER RESOLVED that the Board of Directors hereby authorizes the CFO/Director of Administrative Services or his or her designee to be the coordinator and contact for the Program and execute all necessary agreements with MissionSquare Retirement incidental to the administration of the Plan.

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PASSED AND ADOPTED by the Board of Directors of the Midpeninsula Regional Open Space District on November 12, 2025, at a Regular Meeting thereof, by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

ATTEST:

APPROVED:

Zoe Kersteen-Tucker, Secretary
Board of Directors

Jed Cyr, President
Board of Directors

APPROVED AS TO FORM:

Hilary Stevenson, General Counsel

I, the District Clerk of the Midpeninsula Regional Open Space District, hereby certify that the above is a true and correct copy of a resolution duly adopted by the Board of Directors of the Midpeninsula Regional Open Space District by the above vote at a meeting thereof duly held and called on the above day.

Maria Soria, District Clerk

RESOLUTION NO. XX-__

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE MIDPENINSULA
REGIONAL OPEN SPACE DISTRICT ADOPTING THE MISSIONSQUARE
RETIREMENT HEALTH SAVINGS (RHS) PLAN PROGRAM FOR BOARD
APPOINTEES**

WHEREAS, the Midpeninsula Regional Open Space District (“District”) Board of Directors (“Board”) hires Appointees (General Manager, General Counsel, and Controller) who render valuable services; and

WHEREAS, the establishment of a retiree health savings program for Board Appointees services the interests of the District by enabling it to provide reasonable security regarding such employees’ health needs during retirement, by providing increased flexibility in its personnel management system, and by assisting the attraction and retention of competent personnel; and

WHEREAS, the District has determined that the establishment of the retiree health savings program (the “Program”) specific to the Board Appointees services the above objectives;

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors hereby adopts the MissionSquare Retirement Health Savings Plan Program (“Program”) through the District’s integral part trust (“Trust”) and the District’s welfare benefits plan (“Plan”).

BE IT FURTHER RESOLVED that the assets of the Plan shall be held in trust, with Midpeninsula Regional Open Space District serving as trustee, for the exclusive benefit of Plan participants and their survivors, and the assets of the Plan shall not be diverted to any other purpose prior to the satisfaction of all liability of the Plan. The District has executed the Declaration of Trust of the sample trust made available by MissionSquare Retirement.

BE IT FURTHER RESOLVED that the Board of Directors hereby authorizes the CFO/Director of Administrative Services or his or her designee to be the coordinator and contact for the Program and execute all necessary agreements with MissionSquare Retirement incidental to the administration of the Plan.

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PASSED AND ADOPTED by the Board of Directors of the Midpeninsula Regional Open Space District on November 12, 2025, at a Regular Meeting thereof, by the following vote:

- AYES:**
- NOES:**
- ABSTAIN:**
- ABSENT:**

ATTEST:

APPROVED:

Zoe Kersteen-Tucker, Secretary
Board of Directors

Jed Cyr, President
Board of Directors

APPROVED AS TO FORM:

Hilary Stevenson, General Counsel

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Maria Soria, District Clerk