

RESOLUTION NO. _____

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CHULA VISTA APPROVING THE CITY'S PARTICIPATION IN THE PUBLIC AGENCY RETIREMENT SERVICES (PARS) POST-EMPLOYMENT BENEFITS TRUST PROGRAM (SECTION 115 PENSION TRUST FUND) TO BE ADMINISTERED BY PARS, WITH U.S. BANK AS TRUSTEE, DELEGATING SECTION 115 PENSION TRUST FUND ACTIVITY TO THE DIRECTOR OF FINANCE/TREASURER AND AUTHORIZING THE DIRECTOR OF FINANCE/TREASURER TO EXECUTE THE DOCUMENTS TO IMPLEMENT THE PROGRAM

WHEREAS, the City of Chula Vista ("City") provides its full-time miscellaneous and safety employees with a defined benefit pension program through the California Public Employees' Retirement System ("CalPERS"); and

WHEREAS, the City is currently working on issuing Pension Obligation bonds to pay off all or a portion of its Unfunded Accrued Liability ("UAL") in connection with the CalPERS; and

WHEREAS, part of the City's plan includes setting aside a portion of the future savings in connection with the issuance of Pension Obligation Bonds into a Section 115 Trust to help mitigate future pension cost increases; and

WHEREAS, the City requires Section 115 Pension Trust Fund Administration and Investment Management Services; and

WHEREAS, in order to procure these services, the City solicited proposals in accordance with Chula Vista Municipal Code Section 2.56.110; and

WHEREAS, the City received three (3) proposals from firms interested in providing Section 115 Pension Trust Fund Administration and Investment Management Services; and

WHEREAS, the City's firm selection committee completed its review of all three proposals and determined Public Agency Retirement Services ("PARS") as the firm to provide Section 115 Pension Trust Fund Administration and Investment Management Services; and

WHEREAS, PARS has made available the PARS Public Agencies Post-Employment Benefits Trust (the "Program") for the purpose of pre-funding obligations and/or OPEB obligations; and

WHEREAS, the City is eligible to participate in the Program, a tax-exempt trust performing an essential government function within the meaning of Section 115 of the Internal Revenue Code, as amended, and the Regulations issued thereunder, and is a tax-exempt trust under the relevant statutory provisions of the State of California; and

WHEREAS, the City’s adoption and operation of the Program has no effect on any current or former employee’s entitlement to post-employment benefits; and

WHEREAS, the terms and conditions of post-employment benefit entitlement, if any, are governed by contracts separate from and independent of the Program; and

WHEREAS, the City’s funding of the Program does not, and is not intended to, create any new vested right to any benefit nor strengthen any existing vested right; and

WHEREAS, the City reserves the right to make contributions, if any, to the Program, in accordance with the City’s Pension and OPEB Reserve Fund Policy; and

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Chula Vista that it:

- 1. Approves the City’s participation in the PARS Public Agencies Post-Employment Benefits Trust Program (Section 115 Pension Trust Fund); and
2. Appoints the Director of Finance/Treasurer or his/her successor or his/her designee as the City’s Plan Administrator for the Program; and
3. Authorizes the Director of Finance/Treasurer to (i) negotiate and execute the PARS Program agreements, and legal and administrative documents on behalf of the City, in a form approved by the City Attorney; and (ii) to take any additional actions he/she deems necessary to maintain the City’s participation in the Program and compliance with all relevant regulations; therefore, authorizing him/her to take any additional actions required to administer the City’s Program.

Presented by:

Approved as to form by:

David Bilby, MSBA, CPFO
Director of Finance/Treasurer

Glen R. Googins
City Attorney