

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF FOSTER CITY APPROVING THE ESTABLISHMENT OF A TAX-EXEMPT IRC SECTION 115 IRREVOCABLE TRUST; SELECTING THE PUBLIC AGENCY RETIREMENT SERVICES (PARS) AS THE TRUST ADMINISTRATOR; AUTHORIZING THE CITY MANAGER (OR SUCCESSOR/DESIGNEE) TO APPROVE THE AGREEMENT WITH PARS, TO BE THE CITY'S PLAN ADMINISTRATOR AND EXECUTE ALL NECESSARY DOCUMENTS TO ESTABLISH THE IRC SECTION 115 IRREVOCABLE TRUST; APPROVING "GROWTH" INVESTMENT STRATEGY; APPROVING THE INITIAL FUNDING OF \$286,294; AND APPROVING THE APPROPRIATION IN ACCOUNT 508-0460-999-4155 FOR \$286,294

CITY OF FOSTER CITY

WHEREAS, PARS has made available the PARS Public Agencies Post-Employment Benefits Trust (the "Trust") for the purpose of prefunding pension obligations and/or other post-employment benefits (OPEB) obligations; and

WHEREAS, the City is eligible to participate in the Trust, a tax-exempt trust performing an essential governmental function within the meaning of Section 115 of the Internal Revenue Code, as amended, and the Regulations issued there under, 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 Trust 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 Trust; and

WHEREAS, the City's funding of the Trust 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 Trust.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Foster City does hereby:

1. Authorize participation in and adopts the PARS Public Agencies Post-Employment Benefits Trust effective as of October 21, 2024 and hereby establishes a tax-exempt IRC Section 115 irrevocable Trust;
2. Select PARS as the Trust administrator and authorizes the City Manager to approve the agreement with PARS, with minor revisions that may be approved by the City Attorney, to execute any other necessary documents to effectuate the terms of the agreement and maintain the Trust on behalf of the City, in forms approved by the City Attorney and to maintain compliance of any relevant

regulation(s) issued or as may be issued; therefore, authorizing him/her to take whatever additional actions are required to administer the City's Trust;

3. Appoints the City Manager, or his/her successor or his/her designee as the City's Plan Administrator for the Trust;
4. Approve the "Growth" investment strategy;
5. Approve the Initial Funding of \$286,294; and
6. Approve the appropriation in Account No. 508-0460-999-4155 for \$286,294.

PASSED AND ADOPTED as a resolution of the City Council of the City of Foster City at the regular meeting held on the 21st day of October 2024, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

PATRICK SULLIVAN, MAYOR

ATTEST:

PRISCILLA SCHAUS, CITY CLERK