

RESOLUTION NO. 6557-2023

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SEBASTOPOL  
APPROVING AND ADOPTING THE MULTIPLE EMPLOYER OPEB/PENSION 115 TRUST ADMINISTERED BY  
SHUSTER ADVISORY GROUP, LLC AND APPOINTING THE CITY MANAGER AS THE CITY'S PLAN  
ADMINISTRATOR FOR THE 115 TRUST

WHEREAS, the CITY OF SEBASTOPOL, a municipal corporation, hereinafter called CITY, provides pension benefits to eligible employees and retirees as a participant in the California Public Employees Retirement System ("CalPERS"); and

WHEREAS, the City, like most cities in California, has an unfunded accrued liability ("UAL") associated with its CalPERS pension plans; and

WHEREAS, the annual UAL payment has been, and will continue to be, a significant impact on the City's budget; and

WHEREAS, the City has discussed moving its internal pension reserves into a Section 115 Trust as a strategy to manage the City's pension costs, by capturing the benefits of a trust, such as increased investment earnings and budgetary flexibility; and

WHEREAS, the City is eligible to participate in 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 thereunder, and the trust is a tax-exempt trust under the relevant statutory provisions of the State of California; and

WHEREAS, together with NHA, City staff evaluated multiple Section 115 Trust programs and determined the Multiple Employer OPEB/Pension 115 Trust (the "Trust") administered by Shuster Advisory Group, LLC ("Shuster") was the best program for the City's goals; and

WHEREAS, all qualified assets held in the Trust will be irrevocably dedicated to prefunding the City's pension obligations.

NOW, THEREFORE, BE IT RESOLVED that the City of Sebastopol City Council hereby adopts a Resolution approving a Section 115 Trust to be administered by Shuster Advisory Group, LLC and appoints the City Manager, or his/her successor or his/her designee, as the City's Plan Administrator for the Trust.

Let it be further resolved that the City of Sebastopol City Council authorizes the City Manager, or his/her successor or his/her designee, to take whatever additional actions are necessary to maintain the City's participation in the Trust and to maintain compliance of any relevant regulation issued or as may be issued; therefore, authorizing him/her to take whatever additional actions are required to administer the Trust, by the following vote:

The above and foregoing Resolution was duly passed, approved, and adopted at a meeting by the City Council on the 17th day of October, 2023.

I, the undersigned, hereby certify that the foregoing Resolution was duly adopted by City of Sebastopol City Council following a roll call vote:

**VOTE:**

Ayes: Councilmembers McLewis, Maurer, Zollman, Vice Mayor Rich and Mayor Hinton

Noes: None

Absent: None

Abstain: None

APPROVED:   
Mayor Neysa Hinton

ATTEST:   
Mary Gourley, Assistant City Manager/City Clerk, MMC

APPROVED AS TO FORM:   
Larry McLaughlin, City Attorney