



AGENDA REPORT

Department: Finance
Prepared by: Phillip Davis, Interim Finance Director
Meeting Date: Tuesday, December 6, 2022
Approved by: Brad Raulston, City Manager

SUBJECT:

Public Agency Retirement Services (PARS) Agreement

RECOMMENDATION:

Approve the Resolution named below authorizing the Mayor to sign the agreement. Resolution of the City Council of the City of National City, California, Authorizing the Mayor to Execute the Agreement between the City of National City and Phase II Systems d.b.a. Public Agency Retirement Services, for Comprehensive Trust Administration Services

BOARD/COMMISSION/COMMITTEE PRIOR ACTION:

Not Applicable.

EXPLANATION:

The City entered into an agreement with Phase II Systems, d.b.a. "Public Agency Retirement Services" on December 20, 2017, to provide comprehensive trust administration services for the City's irrevocable supplemental pension trust. The City amended the agreement in September 17, 2019, to include comprehensive trust administration services for the Other Post-Employment Benefits Trust. The agreement will expire on December 31, 2022, and the new agreement will be for a period of three years with three one-year extensions available.

The PARS Pension Rate Stabilization Program (Pension) and Other Post-Employment Benefits (OPEB) are Section 115 irrevocable trusts designed for agencies to prefund rising pension costs and address pension liabilities and other post-employment benefits (i.e. health care). This cutting edge program can mitigate long-term pension investment volatility, while at the same time providing employers with greater local control of assets and investment flexibility to create a more actuarially sound retirement system.

The City began funding the Pension trust in fiscal year 2017-18. The balance as of June 30, 2021 was \$7,527,020. The City began funding the OPEB trust in fiscal year 2019-20 and the balance as of June 30, 2020 was \$3,556,331. The funds may only be used for pension-related costs or for other post-employment benefit related costs. The two funds may only be accessed through City Council approval.

FINANCIAL STATEMENT:

The fee for trust administration services for the Pension Trust is approximately \$18,142 based on the trust fund balance of \$7,527,020.

The fee for trust administration services for the OPEB trust is approximately \$8,890 based on the trust fund balance of \$3,556,331.

RELATED CITY COUNCIL 2020-2025 STRATEGIC PLAN GOAL:

Not Applicable

ENVIRONMENTAL REVIEW:

This is not a project under CEQA and is therefore not subject to environmental review.CCR15378;
PRC 21065.

PUBLIC NOTIFICATION:

Agenda Report posted within 72 hours of meeting date and time in accordance with Brown Act.

ORDINANCE:

Not Applicable

EXHIBITS:

1. PARS Agreement
2. Exhibit A – Scope of Services
3. Exhibit B – Fee Schedule
4. Exhibit C – Data Requirements
5. Resolution