



**CITY of CALABASAS**  
**CITY COUNCIL AGENDA REPORT**

---

**DATE:** AUGUST 31, 2022

**TO:** HONORABLE MAYOR AND COUNCILMEMBERS

**FROM:** KINDON MEIK, CITY MANAGER  
RON AHLERS, CHIEF FINANCIAL OFFICER 

**SUBJECT:** RESOLUTION APPROVING THE ADOPTION OF THE PUBLIC AGENCIES  
POST-EMPLOYMENT BENEFITS TRUST ADMINISTERED BY PUBLIC  
AGENCY RETIREMENT SERVICES (PARS)

**MEETING DATE:** SEPTEMBER 14, 2022

---

**SUMMARY RECOMMENDATION:**

Staff recommends the City Council approve the Resolution establishing an Internal Revenue Code Section 115 Trust {IRC 115 Trust} with the Public Agency Retirement Services (PARS). The initial investment shall be \$2,000,000 to the Pension fund and \$250,000 to the Other Post Employment Benefit (OPEB) fund.

**BACKGROUND:**

On May 18, 2022, the City Council received a report regarding the City's Unfunded Accrued Liability (UAL) of the CalPERS Pension. The City's UAL for pensions as of June 30, 2020 is \$9.1 million. The June 30, 2021 report was recently released and the UAL is \$5 million. CalPERS has stated a negative 6.1% return for fiscal year (FY) 2021-22. The June 30, 2022 report will be released in August 2023 which I estimate the UAL will return to almost \$9 million.

The Council received a report regarding the unfunded liability of the City's OPEB at \$8.8 million. The City's OPEB liability concerns our retiree medical insurance costs. Council also received a report about IRC 115 Trusts. Lastly, there was a presentation

given by PARS regarding their IRC 115 Trust. City Council directed staff to invest \$2 million to the UAL for pensions and \$250,000 for OPEB.

On June 22, 2022, the City Council received the CalPERS presentation on their IRC 115 Trust. Council directed staff to return in August to provide a comparison of the two competing programs and recommend a provider.

On August 24, 2022, staff presented a report recommending PARS be selected to administer the IRC 115 Trust. City Council approved the recommendation and selected PARS. City Council approved a resolution appropriating \$2 million for pension UAL and \$250,000 for OPEB funding.

**DISCUSSION/ANALYSIS:**

The attached resolution adopts the PARS Trust and appoints the City Manager or his designee as the Plan Administrator of the PARS Trust. It also authorizes the Plan Administrator (i.e. City Manager) to execute all agreements required to implement the PARS Trust. Also attached is a draft "Agreement for Administrative Services" between the City and PARS.

**FISCAL IMPACT/SOURCE OF FUNDING:**

Invest \$2¼ million from the General Fund Reserve in an IRC 115 Trust for Pension and OPEB with PARS.

**REQUESTED ACTION:**

Staff recommends the Council approve the attached resolution which adopts the PARS Trust, appoints the City Manager as Plan Administrator and authorizes the Plan Administrator to execute the PARS legal and administrative agreements regarding the PARS Trust.

**ATTACHMENTS:**

1. Resolution NO. 2022-1815
2. DRAFT "Agreement for Administrative Services"