

Resolution No.

# STOCKTON CITY COUNCIL

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## **RESOLUTION APPROVING THE ADOPTION OF THE POST-EMPLOYMENT BENEFITS TRUST AGREEMENT BETWEEN PFM ASSET MANAGEMENT LLC (“PFM”) AS TRUST ADMINISTRATOR AND PRINCIPAL BANK (“PRINCIPAL BANK”) AS TRUSTEE**

The City Council established an irrevocable IRS Section 115 Pension Trust in November 2018, with Public Agency Retirement System (“PARS”) as the plan administrator and Union Bank as the Bank Trustee. The City made its first total contribution to the plan of approximately \$21.2 million in January, February, and March 2018; \$7 million, \$7 million, and \$7.2 million respectively. As of today’s most, recent statement, the trust holds approximately \$71 million; and

The current contract with PARS is set to expire in the coming months, therefore, a request for proposal (RFP) was issued on February 2, 2023. The City received five proposals of which staff now recommend awarding the service contract to PFM Asset Management LLC (PFM) as the plan administrator and Principal Bank as Trustee for the continued trust administration and investment advisory services for the City’s section 115 pension trust; now, therefore,

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF STOCKTON, AS FOLLOWS:

1. Authorize the City Manager to execute a five-year professional service agreement with the option of one one-year extension with PFM Asset Management LLC for Plan Administration and Investment Advisory services for the City’s Irrevocable Pension 115 Trust, attached as Exhibit 1 and incorporated herein by this reference.
2. Adopt the Post-Employment Benefits Trust Agreement between PFM Asset Management LLC as Trust Administrator and Principal Bank as Trustee.
3. Authorize the City Manager, or designee, to execute any trust related documents and agreements including, but not limited to, an Adoption Agreement and Trust Administrative Services Agreement.
4. Approve, ratify, and confirm the appointment of Principal Bank as the Trustee and PFM as the Trust Administrator as of the effective date of the Adoption Agreement.
5. Accept the Account Agreement between the City and Principal Bank as Trustee.

6. Approve findings pursuant to Stockton Municipal Code 3.68.070 in support of an exception to the competitive bidding process.

7. Authorize the City Manager to take appropriate and necessary actions to carry out the purpose and intent of this Resolution.

PASSED, APPROVED, and ADOPTED May 23, 2023.

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KEVIN J. LINCOLN II  
Mayor of the City of Stockton

ATTEST:

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ELIZA R. GARZA, CMC  
City Clerk of the City of Stockton