



CITY OF HEMET
Hemet, California
RESOLUTION NO. 4721

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A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HEMET APPROVING THE ADOPTION OF THE PUBLIC AGENCIES POST-EMPLOYMENT BENEFITS TRUST ADMINISTERED BY PUBLIC AGENCY RETIREMENT SERVICES (PARS) AND ESTABLISHING A FUNDING POLICY FOR CONTRIBUTIONS TO THE TRUST.

WHEREAS, PARS has made available the PARS Public Agencies Post-Employment Benefits Trust (Trust) for the purpose of pre-funding other post-employment benefit (OPEB) obligations; and

WHEREAS, the City of Hemet (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 thereunder, 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, regular contributions to the Trust is a best practice to reduce the City's OPEB unfunded liability; and

WHEREAS, the City reserves the right to make and determine the amount of contributions, if any, to the Trust.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Hemet that:

1. The City Council hereby adopts the PARS Public Agencies Post-Employment Benefits Trust, effective October 25, 2016; and

1 2. The City Council hereby appoints the City Manager, or his/her successor or
2 his/her designee as the City's Plan Administrator for the Trust; and

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4 3. Except as expressly provided below, the City's Plan Administrator is hereby
5 authorized to execute the PARS legal and administrative documents on behalf of the
6 City and to take whatever additional actions are necessary to maintain the City's
7 participation in the Trust and to maintain compliance of any relevant regulation issued or
8 as may be issued; therefore authorizing him/her to take whatever additional actions are
9 required to administer the City's Trust; and

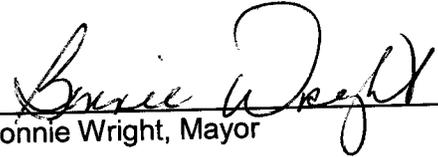
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11 4. The City Council hereby elects to contribute \$750,000 as an initial contribution to
12 the Trust; and

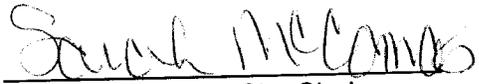
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14 5. The City Council hereby elects to contribute \$250,000 annually to the Trust,
15 however, the City Council reserves unto itself the right to modify, adjust, increase,
16 decrease, or defer contributions to the Trust; and

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18 6. The City's Plan Administrator shall report regularly to the City Council, but not
19 less than biannually, on the performance of the Trust, recommended contribution levels,
20 and other material events related to the Trust and any actions the City Plan
21 Administrator is requested to or is required to take to maintain the City's participation in
22 the Trust.

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27 **PASSED, APPROVED, AND ADOPTED this 25th day of October, 2016.**

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32 Bonnie Wright, Mayor

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35 ATTEST: APPROVED AS TO FORM:
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39 Sarah McComas, City Clerk
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41 Eric S. Vail, City Attorney

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