



Report to City Council

TO: Mayor and City Council

FROM: Brian Mohan, City Manager

AGENDA DATE: February 3, 2026

TITLE: RESOLUTION TO TRANSFER ADMINISTRATION OF THE CITY'S IRC SECTION 115 TRUST TO SHUSTER ADVISORY GROUP, LLC (REPORT OF: CITY MANAGER)(DISTRICT: ALL DISTRICTS)

TITLE SUMMARY: Resolution To Transfer Administration Of The City's IRC Section 115 Trust To Shuster Advisory Group, LLC

DISTRICT: Not Applicable

Recommendation(s)

That the City Council:

1. Adopt Resolution No. 2026-xx to transfer administration of the City's IRC Section 115 Trust to Shuster Advisory Group, LLC

SUMMARY

The City would like to execute agreements to transfer administration of the City's IRC Section 115 Trust to Shuster Advisory Group, LLC.

DISCUSSION

On November 1, 2022, the City Council adopted Resolution 2022-73, which approved the adoption of the Public Agencies Post-Employment Benefits Trust administered by Public Agency Retirement Services (PARS). PARS is a multiple-employer trust arrangement established to provide economies of scale and efficiency of administration to public

agencies that adopt it to hold the assets used to fund the agency's Other Post-Employment Benefits (OPEB) Obligation and/or Pension Obligation. The Trust was established with the intention that it qualify as a tax-exempt trust performing an essential governmental function within the meaning of Section 115 of the Code and any regulations issued thereunder, and as a tax-exempt trust under the relevant state statutory provisions of each Employer.

Shuster Advisory Group is the City Fiduciary consultant. As our Fiduciary, Shuster is legally bound to act in our best interest, putting our needs above their own, with duties of loyalty, care, and good faith. After careful consideration, Shuster has recommended that the City transfer administration to the Shuster Advisory Group. In doing this, the City will receive better returns on investment and transparency in fees.

The City would like to terminate participation in the PARS Public Agencies Post-Employment Benefits Trust Program, all services, administration, and investment contracts with PARS. The successor trust satisfies the requirements of Section 115 of the Internal Revenue Code, and all assets held by that trust shall qualify as "plan assets" that are irrevocably dedicated to the prefunding of pension obligations.

ALTERNATIVES

1. Approve and authorize the recommended actions as presented in this staff report. Staff recommend this alternative.
2. Do not approve and authorize the recommended actions as presented in this staff report. Staff does not recommend this alternative.

FISCAL IMPACT

There is no fiscal impact associated with this staff report.

NOTIFICATION

This item was agendaized on the January 27, 2026, Finance Subcommittee meeting and was included in the publication of the City Council meeting agenda.

PREPARATION OF STAFF REPORT

Prepared By:
Launa Jimenez
Assistant City Manager (Administration)

Department Head Approval:
Brian Mohan
City Manager

CITY COUNCIL GOALS

Revenue Diversification and Preservation: Develop a variety of City revenue sources and policies to create a stable revenue base and fiscal policies to support essential City services, regardless of economic climate.

CITY COUNCIL STRATEGIC PRIORITIES

- 1. Economic Development**
- 2. Public Safety**
- 3. Library**
- 4. Infrastructure**
- 5. Beautification, Community Engagement, and Quality of Life**
- 6. Youth Programs**

Report Approval Details

Document Title:	STAFFREPORT_CM_115TRUST.docx
Attachments:	- Resolution - MV IRC Section 115 Trust.docx
Final Approval Date:	Jan 29, 2026

This report and all of its attachments were approved and signed as outlined below:

No Signature - Task assigned to Brian Mohan was completed by workflow administrator Patty Rodriguez

Brian Mohan

Patty Rodriguez

No Signature - Task assigned to Natalia Lopez was completed by workflow administrator Patty Rodriguez

Natalia Lopez

No Signature - Task assigned to Felicia London, MPA was completed by workflow administrator Patty Rodriguez

Felicia London, MPA

No Signature - Task assigned to Launa Jimenez was completed by workflow administrator Patty Rodriguez

Launa Jimenez

Patty Rodriguez