



Legislation Text

File #: 2018-068, Version: 1

Resolution - Approval of Engagement of Trustee and Acknowledgement and Approval of Plan Administrator's Engagement of Third Party Administrator/Actuary of Pedernales Electric Cooperative, Inc. Employees Defined Benefit Retirement Plan - B Arldt

Submitted By: Don Ballard

Department: Human Resources

Financial Impact and Cost/Benefit Considerations: As discussed in Executive Session.

Effective January 1, 1964, Pedernales Electric Cooperative, Inc. ("Plan Sponsor" or "Cooperative"), established, for the exclusive benefit of its employees and their beneficiaries, the *Pedernales Electric Cooperative, Inc. Employees Defined Benefit Retirement Plan*, a defined benefit pension plan intended to qualify under Sections 401(a) and 501(a) of the Internal Revenue Code ("DB Plan").

In December 2017, the Board appointed Charles Schwab Bank as the Trustee for the DB Plan. Charles Schwab Bank is now unable to serve in that capacity due to a fund within the DB Plan. The *Pedernales Electric Cooperative, Inc. Plan Administration Committee* ("Committee"), members of which have been appointed by the Plan Sponsor, serves as Plan Administrator of the DB Plan, and previously undertook a benchmarking comparison of costs, fees and expenses and services offered with respect to the DB Plan and received the results from such benchmarking comparison.

The Committee, in its capacity as a fiduciary of the plans, has now reviewed information on other proposals, conducted in-person interviews, follow-up calls and reference checks on other possible trustees and its offerings to participants.

The Committee in accordance with its Bylaws has communicated with the Plan Sponsor regarding its investigations and deliberations at this Board meeting.

Under the terms of the DB Plan, the Plan Sponsor has the authority to remove and appoint a trustee for the DB Plan; and the Plan Sponsor has discussed and considered the Committee's presentation.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE COOPERATIVE, remove Charles Schwab Bank, the named trustee of the DB Plan, and to appoint U.S. Bank National Association, as successor trustee of the DB Plan, on the terms established in the trust agreement for the DB plan; and

BE IT FURTHER RESOLVED BY THE BOARD OF DIRECTORS OF THE COOPERATIVE, that the Chief Executive Officer or any person designated by her for such purpose, be, and each hereby is, authorized as a duly authorized officer or agent of the Cooperative, for and in the name and on behalf of the Cooperative, to negotiate any trust agreements for the DB Plan in connection with the bundled services, or any other agreements, certificates, consents, affidavits, and other instruments of any nature necessary or appropriate to give effect to these resolutions, in each case in such form and containing such terms, effective dates of each agreement on or about the date hereof, and conditions as such officer or agent may in such officer's or agent's reasonable discretion deem necessary, appropriate, or desirable; and

BE IT FURTHER RESOLVED BY THE BOARD OF DIRECTORS OF THE COOPERATIVE, that the President and Vice President of the Board of Directors, and the Chief Executive Officer, or her designee, be,

and each hereby is, authorized as a duly authorized officer or agent of the Cooperative, for and in the name and on behalf of the Cooperative, to execute and deliver any trust agreements for the DB Plan, the service agreement with respect to the DB Plan, or any other agreements, certificates, consents, affidavits, and other instruments of any nature necessary or appropriate to give effect to these resolutions and the Secretary of the Board of Directors is hereby authorized to attest and to affix the Cooperative's seal thereto, if required; and

BE IT FURTHER RESOLVED BY THE BOARD OF DIRECTORS OF THE COOPERATIVE, that all actions taken prior to the effective date hereof by the officers and duly authorized agents of the Cooperative in connection with the subject of the foregoing resolutions be and are hereby ratified, confirmed, and approved.