



# City of San Antonio

## Agenda Memorandum

**File Number:** 18-6455

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**Agenda Item Number:** 32.

**Agenda Date:** 12/13/2018

**In Control:** City Council A Session

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**DEPARTMENT:** Finance

**DEPARTMENT HEAD:** Troy Elliott

**COUNCIL DISTRICTS IMPACTED:** City Wide

**SUBJECT:**

Administrative Services Contract with the Fire and Police Pension Fund

**SUMMARY:**

This item would approve an Administrative Services Contract with the San Antonio Fire and Police Pension Fund (Pension Fund), under which the City will receive \$16,000.00 per year for providing certain administrative services to the Pension Fund, establish provisions for the use of administrative leave by active member Pension Fund trustees, and to establish provisions for City access to information regarding the Pension Fund for an initial one year term beginning October 1, 2018, with four (4) one year renewal terms.

**BACKGROUND INFORMATION:**

The Pension Fund is a statutory trust which provides pension benefits for San Antonio Fire Fighters and Police Officers. Historically, the City has provided certain administrative services to the Pension Fund and has accepted compensation for the services rendered.

Ordinance 2015-09-03-0746, dated September 3, 2015, authorized the renewal of an administrative services agreement with the San Antonio Fire and Police Pension Board of Trustees in an annual amount of \$16,000.00 payable to the City of San Antonio for the administrative services provided from October 1, 2015 through September 30, 2016. It also included four additional one-year renewal options so long as the contract did not materially change.

Under this agreement, the City will provide administrative support to include processing bi-weekly payrolls, tax reporting, and other administrative services for the Pension Fund office. It additionally grants the office staff and their dependents/beneficiaries participation in the City's health benefits and retirement programs. The City will be reimbursed for the costs incurred for providing those programs as well as for salary and related payroll costs.

Additional provisions have been included in this contract to make available a pool of 480 hours of administrative leave for out-of-town travel for the Pension Funds' active member uniform trustees. The administrative leave will be used to travel to and attend out-of-town events and/or in town investment manager meetings, due diligence site visits or investment meetings, and annual educational conferences on behalf of the Pension Fund. The 480 hours will be available beginning October 1<sup>st</sup> of each year, any remaining leave in the pool as of September 30<sup>th</sup> of each year will be forfeited. On a quarterly basis the Pension Fund will reimburse the City for the cost of the active members' out-of-town administrative leave and any incremental cost to backfill the active members' City responsibilities. Under current City policy the Active Trustees are limited to 40 hours of administrative leave per Trustee per year. The creation of a pool of 480 hours of administrative leave allows the Pension Fund Active Trustees the flexibility and time to perform their fiduciary responsibilities.

The Executive Director of the Pension Fund may submit a written request for additional hours of administrative leave for out-of-town travel that maybe needed above and beyond the 480 hours. These may include, but are not limited to, events such as required training for an active trustee newly elected to the Board of Trustees, or unanticipated market events. The request shall be directed and submitted to the Police Chief or the Fire Chief, as appropriate, and shall be subject to the prior written approval of the City Manager or designee, in her sole discretion.

Furthermore the City will provide administrative leave for all active trustees to attend Pension Fund Board and Committee Meetings. When requesting to be absent from work to attend Pension Fund Board and Committee Meetings, each active trustee shall follow the applicable City Fire or Police Department process and procedure.

Neither the 480 hours of out-of-town leave nor the use of administrative leave will be permitted for Active Trustees to attend out-of-town legislative meetings or lobbying activities on behalf of the Pension Fund.

New contract terms also strengthen access and transparency of information between the City and the Pension Fund. The City is required to submit a written request for Pension Fund related data. The Pension Fund shall redact all personal identifiable information prior to providing the requested data to the City. If the Pension Funds does not redact the personally identifiable information, the City will withhold such personally identifiable information or otherwise ensure the data is not in a form identifiable to a specific individual in any public report or presentation. The City may use the data for its own internal purposes and may create its own documents or presentations from the data as long as the data is not attributed to the Pension Fund.

This agreement was considered and approved by the San Antonio Fire and Police Pension Board of Trustees at a meeting held on September 26, 2018.

## **ISSUE:**

The proposed ordinance authorizes an Administrative Services Contract with the San Antonio Fire and Police Pension Fund (Pension Fund), under which the City will receive \$16,000.00 per year for providing certain administrative services to the Pension Fund, establish provisions for the use of administrative leave by active member Pension Fund trustees, and to establish provisions for City access to information regarding the Pension Fund.

The contract shall commence on October 1, 2018 through September 30, 2019 and may be renewed for four additional one-year periods. If no provisions of the contract are changed with either renewal, then the contract may be executed administratively by the City Manager or designee. During the initial term of the contract and for all renewals of this contract, the Fire and Police Pension Fund agrees to additionally pay the City an administrative fee of \$16,000.00 for the functions described above.

**ALTERNATIVES:**

The City could choose to cancel the Administrative Services Contract altogether. The City will cease performing the functions described above and would forfeit \$16,000.00 in revenue. The Fire and Police Pension Fund would likely pay a much higher fee to another third-party or perform the functions “in-house.”

**FISCAL IMPACT:**

This ordinance approves an Administrative Services Contract with the San Antonio Fire and Police Pension Fund (Pension Fund). Through this agreement, the City will collect \$16,000 in revenues for providing certain administrative services to the Pension Fund. Additionally, on a quarterly basis the Pension Fund will reimburse the City for the cost of the active members’ administrative leave and any incremental costs to backfill the active members’ City responsibilities. These funds will be deposited as recovery of current year expenditures in the City’s General Fund.

**RECOMMENDATION:**

Staff recommends approval of this ordinance.