



# City of San Antonio

## Agenda Memorandum

**File Number:**19-3867

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**Agenda Item Number:** 16.

**Agenda Date:** 5/16/2019

**In Control:** City Council A Session

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**DEPARTMENT:** Finance

**DEPARTMENT HEAD:** Troy Elliott

**COUNCIL DISTRICTS IMPACTED:** Citywide

### **SUBJECT:**

Results of the Actuarial Review of the San Antonio Fire & Police Pension Fund

### **SUMMARY:**

Section 802.1012 of the Texas Government Code requires employers who sponsor public retirement systems with total assets of at least \$100M, such as the San Antonio Fire & Police Pension Fund (SAFPPF), to retain an independent actuary every five years to review actuarial work products. The legislation requires that the independent actuary provide the governing body of the public retirement system the results of the review as an item posted on the public agenda in the form of an issued report.

### **BACKGROUND INFORMATION:**

Since the legislation passed in 2008, the City has hired actuaries twice to conduct the five year reviews. The reports and recommendations were provided to City Council and incorporated in subsequent SAFPPF actuarial reports.

For this third review period, the City engaged Gabriel, Roeder, Smith and Company (GRS) in September 2018 to conduct a Level One (full replication) Actuarial Audit of the annual valuations and experience studies of the SAFPPF from October 1, 2013 through January 1, 2018.

As an independent reviewing actuary, GRS was asked to provide an opinion of whether the actuarial reports from the previous five years fully and fairly disclose the actuarial position of the SAFPPF and provide any recommendations, where appropriate, of the actuarial valuations performed by Segal Consulting for SAFPPF.

GRS reported that the January 1, 2018 Actuarial Valuation report prepared by Segal Consulting provides a fair

and reasonable assessment of the financial position of SAFPPF. The actuarial valuations, studies, and reports are reasonable, used appropriate assumptions, complied with Actuarial Standards of Practice, and complied with the Texas Pension Review Board Guidelines for Actuarial Soundness.

GRS additionally noted and made recommendations for ways to improve the work product going forward. The final report with noted recommendations and Segal Consulting's responses to those recommendations are attached to this agenda item.

Segal Consulting presented the recommendations from GRS along with Segal's responses to SAFPPF's Personnel/Audit Committee on March 20, 2019. SAFPPF's full board approved Segal's responses to the recommendations at their March 27, 2019 meeting.

GRS presented the results of the audit to the City's Audit & Accountability Committee on April 16, 2019, which has also been attached to this agenda item.

**ISSUE:**

Section 802.1012 of the Texas Government Code requires that the independent actuary presents the City Council their review results in the form of an issued report.

**ALTERNATIVES:**

Not applicable

**FISCAL IMPACT:**

There is no fiscal impact associated with this item.

**RECOMMENDATION:**

The results of the Actuarial Review of the San Antonio Fire & Police Pension Fund are being submitted as required by Section 802.1012 of the Texas Government Code, which requires that the independent actuary provide the governing body of the public retirement system the results of the review as an item posted on the public agenda in the form of an issued report.