



# City of San Antonio

## Agenda Memorandum

**File Number:**15-4476

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**Agenda Item Number:** 20.

**Agenda Date:** 9/3/2015

**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 Fire and Police Pension Fund, San Antonio, under which the City will receive \$16,000.00 per year for providing certain administrative services to the Pension Fund, for an initial one year term beginning October 1, 2015, with four (4) one year renewal terms.

### **BACKGROUND INFORMATION:**

The San Antonio Fire and Police 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 2009-10-01-0783, dated October 1, 2009, authorized the renewal of an administrative services agreement with the San Antonio Fire and Police Pension Board of Trustees in an annual amount of \$20,000.00 payable to the City of San Antonio for the administrative services provided from October 1, 2009 through September 30, 2011. It also included two additional two-year renewal options, in which, the second renewal option term expires on September 30, 2015.

### **ISSUE:**

The proposed ordinance authorizes processing of the bi-weekly payroll, tax reporting, and other administrative services for the San Antonio Fire and Police Pension Fund office staff of twelve (12) people. It additionally authorizes the office staff participation in the City's health benefits and Workers' Compensation program.

The contract shall commence on October 1, 2015 through September 30, 2016 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. The City will be reimbursed the health assessment rate charge per FTE as developed in the City's adopted budget and reimbursement for actual costs incurred for salary, related payroll costs and Workers' Compensation claims. 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:**

After the previous contract expires on September 30, 2015 the City could choose not to renew the Administrative Services Contract. The City will perform 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 transaction will have an annual fiscal impact of \$16,000.00 in revenue to the City.

#### **RECOMMENDATION:**

Staff recommends approval of this ordinance because it provides additional revenue to the City for each year of the contract in the amount of \$16,000.00 and it will lower the fees to the San Antonio Fire and Police Pension Fund Trustees.