

Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: Jennifer Schembri

SUBJECT: SEE BELOW

DATE: June 5, 2019

Approved

Date

6-7-19

SUBJECT: AMENDMENT TO THE AGREEMENT WITH BARTEL ASSOCIATES, LLC FOR ACTUARIAL CONSULTING SERVICES RELATED TO LABOR MATTERS

RECOMMENDATION

Adopt a resolution authorizing the City Manager to negotiate and execute a Fourth Amendment to the Agreement with Bartel Associates, LLC, for actuarial consulting services in connection with labor matters related to various retirement benefits, to extend the term to June 30, 2020, at no additional cost to the City.

OUTCOME

The negotiation and execution of the Fourth Amendment to the Agreement with Bartel Associates, LLC, will allow the City Manager's Office to extend the term of the Agreement to June 30, 2020, in connection with labor matters related to various retirement benefits.

BACKGROUND

On June 1, 2012, the City Manager executed an agreement with Bartel Associates, LLC for a term ending June 30, 2015, in a total amount not to exceed \$150,000, to provide actuarial consulting services for labor relations matters. The scope of services includes, but is not limited to, providing actuarial services related to retirement benefits for both pension and retiree healthcare during labor negotiations, providing actuarial consultation and advisory services related to retirement benefits for both pension and retiree healthcare, pricing various benefit levels as requested, and reviewing actuarial analysis for proposals made by bargaining units. On May 29, 2015, the City Manager executed a first amendment to the agreement with Bartel Associates, LLC extending the term to June 30, 2017, and increasing compensation by \$150,000, for a total amount not to exceed \$300,000. On April 13, 2016, the City Manager executed a second amendment to the agreement with Bartel Associates, LLC increasing compensation by \$135,000, for a total amount not to exceed \$435,000 with no change to the term. On June 13,

HONORABLE MAYOR AND CITY COUNCIL

June 5, 2019

Subject: Amendment to the Agreement with Bartel Associates, LLC for Actuarial Consulting Services related to Labor Matters

Page 2 of 3

2017, the City Manager executed a third amendment to the agreement with Bartel Associates, LLC, extending the term to June 30, 2019, and increasing compensation by \$100,000, for a total amount not to exceed \$535,000. As of June 5, 2019, there is \$90,965 remaining on the contract.

ANALYSIS

Bartel Associates, LLC has extensive experience in providing actuarial services to the City and their continued participation, specialized services, and experience are essential for continuity and successful completion of ongoing labor relations matters.

The City is in the process of establishing and convening a Retirement Solutions Working Group (Working Group) to discuss options for the challenges to the City based on the increasing retirement contribution rates. It is expected that the City will utilize its contract with Bartel Associates, LLC to help verify the actuarial and cost implications of any of the options discussed in the Working Group, including addressing complicated pension questions that require actuarial analysis outside of the services of the retirement boards' actuary. Additionally, Bartel may be used during upcoming negotiations if retirement related issues arise.

The City expects to conduct a Request for Proposals (RFP) in the Spring of 2020 for actuarial consultants that can assist with future matters that require actuarial services. It is expected that the RFP will be completed prior to June 2020.

EVALUATION AND FOLLOW-UP

There is no anticipated City Council follow-up at this time.

PUBLIC OUTREACH

This item will be posted on the City's website for the June 18, 2019, City Council Agenda.

COORDINATION

This memorandum has been coordinated with the City Attorney's Office.

COMMISSION RECOMMENDATION/INPUT

This agreement was not coordinated with any board or commission.

HONORABLE MAYOR AND CITY COUNCIL

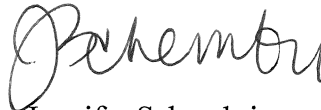
June 5, 2019

Subject: Amendment to the Agreement with Bartel Associates, LLC for Actuarial Consulting Services related to Labor Matters

Page 3 of 3

CEQA

Not a project; File No. PP10-066(e), Services that involve no physical changes to the environment.

A handwritten signature in cursive script, appearing to read "J. Schembri".

Jennifer Schembri
Director of Employee Relations
Director of Human Resources

For questions please contact Jennifer Schembri, Director of Employee Relations and Director of Human Resources, at (408) 535-8154.