

**THIS IS A DRAFT AND WILL BE REPLACED BY THE FINAL,
SIGNED ORDINANCE ADOPTED BY THE CITY COUNCIL.**

ORDINANCE

APPROVING CONTRACTS WITH A) MADISON CONSULTING GROUP, INC., FOR CONSULTING AND ACTUARIAL REVIEW SERVICES FOR THE CITY'S SELF-FUNDED WORKERS' COMPENSATION AND LIABILITY PROGRAMS FOR FISCAL YEARS 2023 THROUGH 2027, WITH TWO ADDITIONAL, ONE YEAR RENEWAL OPTIONS COVERING FISCAL YEARS 2028 AND 2029, FOR A TOTAL COST OF \$69,000, FUNDED FROM THE LIABILITY INSURANCE FUND AND THE WORKERS' COMPENSATION FUND; AND B) MILLIMAN, INC., FOR CONSULTING AND ACTUARIAL REVIEW SERVICES FOR THE SAN ANTONIO FIRE AND POLICE PENSION FUND CONDUCTED JANUARY 1, 2023, WITH ONE ADDITIONAL EXTENSION OPTION COVERING THE ACTUARIAL VALUATION FOR JANUARY 1, 2028, FOR A TOTAL COST OF \$68,000, FUNDED FROM THE GENERAL FUND.

* * * * *

WHEREAS, the City has had an established self-insurance program for its auto liability and general liability exposures since October 1, 1983, and for its exposure to workers' compensation claims since October 1, 1985; and

WHEREAS, the City utilizes the services of a licensed Independent Consulting Actuary to: (1) conduct a comprehensive annual actuarial analysis of the City's self-insured workers' compensation and liability programs; (2) be able to identify the claims or activities that are causing significant fluctuations in the annual actuarial liability; and (3) attend all City quarterly claims meetings for the purpose of jointly reviewing the City's claim reserves, assumptions, and anomalies with the goal of providing additional context for consideration in the development of the year-end actuarial analysis; and

WHEREAS, House Bill 2664 was passed by the 80th Texas Legislature in 2007 and requires employers who sponsor public retirement systems such as the San Antonio Fire and Police Pension Fund, to retain an independent actuary every five years to review actuarial work products; and

WHEREAS, the City released a Request for Proposals (RFP) to provide the City with consulting and actuarial review services for the City's self-funded workers' compensation and liability programs and the San Antonio Fire and Police Pension Fund; and

WHEREAS, five proposals were received, of which one proposal was deemed nonresponsive due to respondent's failure to meet the RFP requirements and four were evaluated; and

WHEREAS, staff recommends approving contracts with A) Madison Consulting Group, Inc., for consulting and actuarial review services for the City's Self-Funded Workers' Compensation and Liability programs for fiscal years 2023 through 2027, with two additional, one year renewal options covering fiscal years 2028 and 2029 for a total cost of \$69,000.00, funded from the Liability Insurance Fund and the Workers' Compensation Fund; and B) Milliman, Inc., for consulting and actuarial review services for the San Antonio Fire and Police Pension Fund conducted January 1, 2023 with one additional extension option covering the actuarial valuation for January 1, 2028, for a total cost of \$68,000.00; and

WHEREAS, funding for subsequent years of both contracts is contingent upon City Council approval of the annual budget and funds; **NOW THEREFORE:**

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF SAN ANTONIO:

SECTION 1. Madison Consulting Group, Inc., is hereby selected to provide consulting and actuarial review services for the City's Self-Funded Workers' Compensation and Liability programs for fiscal years 2023 through 2027, with two additional, one year renewal options covering fiscal years 2028 and 2029 for a total cost of \$69,000.00. The City Manager or designee, or the Chief Financial Officer (CFO) or said CFO's designee, is hereby authorized to execute the contract for said services, a copy of which is attached hereto and incorporated herein as **Exhibit I**. The terms of said contract are hereby approved. This contract may be renewed and extended for two additional, successive one-year renewal periods on the same terms and conditions, subject to funding by the City Council. So long as funding is provided for in the budget, no further City Council action shall be required to effect the renewals, which may be executed by the City Manager or designee, or the CFO or said CFO's designee.

SECTION 2. Milliman, Inc., is hereby selected to provide consulting and actuarial review services for the San Antonio Fire and Police Pension Fund conducted January 1, 2023 with one additional extension option covering the actuarial valuation for January 1, 2028, for a total cost of \$68,000.00. The City Manager or designee, or the CFO or said CFO's designee, is hereby authorized to execute the contract for said services, a copy of which is attached hereto and incorporated herein as **Exhibit II** in substantially final form. The terms of said contract are hereby approved. This contract may be renewed and extended for one additional extension option covering the actuarial valuation for January 1, 2028, on the same terms and conditions, subject to funding by the City Council. So long as funding is provided for in the budget, no further City Council action shall be required to effect the renewal, which may be executed by the City Manager or designee, or the CFO or said CFO's designee.

SECTION 3. Funding for this ordinance in the amount of \$3,500.00 is available in Fund 75003000, Cost Center 7501010001 and General Ledger 5201040 as part of the Fiscal Year 2024 Adopted Budget approved by City Council.

SECTION 4. Funding for this ordinance in the amount of \$3,500.00 is available in Fund 75001000, Cost Center 7509020002 and General Ledger 5201040 as part of the Fiscal Year 2024 Adopted Budget approved by City Council.

SECTION 5. Funding for this ordinance in the amount of \$33,000.00 is available in Fund 11001000, Cost Center 703010001 and General Ledger 5201040 as part of the Fiscal Year 2024 Adopted Budget approved by City Council.

SECTION 6. Additional funding is contingent upon City Council approval of the Fiscal Year 2025 and subsequent budgets that fall within the contract term of each contract.

SECTION 7. Payment in the amount of \$69,000.00 is authorized to Madison Consulting Group, Inc., and should be encumbered with a purchase order.

SECTION 8. Payment in the amount of \$68,000.00 is authorized to Milliman, Inc., and should be encumbered with a purchase order.

SECTION 9. The financial allocations in this ordinance are subject to approval by the Deputy Chief Financial Officer, City of San Antonio. The Deputy Chief Financial Officer may, subject to concurrence by the City Manager or designee, correct allocations to specific SAP Fund Numbers, SAP Project Definitions, SAP WBS Elements, SAP Internal Orders, SAP Fund Centers, SAP Cost Centers, SAP Functional Areas, SAP Funds Reservation Document Numbers, and SAP GL Accounts as necessary to carry out the purpose of this ordinance.

SECTION 10. This ordinance is effective immediately upon passage by eight or more affirmative votes; otherwise, it is effective on the tenth day after passage.

PASSED and APPROVED this ___ day of _____, 2023.

M A Y O R
Ron Nirenberg

ATTEST:

APPROVED AS TO FORM:

Debbie Racca-Sittre, City Clerk

Andrew Segovia, City Attorney