



City of San Antonio

Agenda Memorandum

File Number:

Agenda Item Number: {{item.number}}

Agenda Date: December 12, 2023

In Control: City Council A Session

DEPARTMENT: Finance Department

DEPARTMENT HEAD: Troy Elliott

COUNCIL DISTRICTS IMPACTED: Citywide

SUBJECT:

Administrative Services Contract with the San Antonio Fire and Police Pension Fund

SUMMARY:

Contingent upon approval by the San Antonio Fire and Police Pension Fund (Pension Fund) Board of Trustees, this item approves an Administrative Services Contract with the 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 a five year term beginning October 1, 2023 through September 30, 2028. This item will additionally ratify services for the first month of the contract term.

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 2018-12-13-1023, 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, 2018 through September 30, 2019. 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.

Provisions are included in this contract to make available a pool of 640 hours of administrative leave for out-of-town travel for the Pension Funds' active member uniform trustees. This represents an increase of 160 hours over the prior agreement of 480 hours for a total pool of 640 hours. Based on discussions with the Pension Fund the administrative leave and additional hours are needed to travel to and attend out-of-town events and/or in town investment manager meetings, due diligence site visits or investment meetings, and educational conferences on behalf of the Pension Fund to meet their fiduciary responsibilities as a Trustee of the Fund. The 640 hours will be available beginning October 1st of each year, any remaining leave in the pool as of September 30th 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.

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 640 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 their 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 640 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 unless mutually agreeable and beneficial to both parties.

Contract terms continue to provide access to 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 will be considered for approval by the San Antonio Fire and Police Pension Board of Trustees at its next meeting scheduled for October 31, 2023.

ISSUE:

The proposed ordinance authorizes an Administrative Services Contract with the San Antonio Fire and Police Pension Fund (Pension Fund) and ratifies the first month of services, 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.

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 back office payroll and benefit functions “in-house.”

FISCAL IMPACT:

This ordinance approves an Administrative Services Contract, contingent upon approval by the San Antonio Fire and Police Pension Fund (Pension Fund) Board of Trustees, with the 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 a five year term beginning October 1, 2023 through September 30, 2028. This item will additionally ratify services for the first month of the contract term. Funds received by the Pension Fund to reimburse the City for the cost of the active members’ administrative leave and any incremental costs to backfill the active members’ City responsibilities will be deposited in the General Fund.

RECOMMENDATION:

Staff recommends approval of this ordinance.