



City of San Antonio

Agenda Memorandum

File Number:
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Agenda Item Number: 2

Agenda Date: January 11, 2023

In Control: Intergovernmental Relations Committee Meeting

DEPARTMENT: Finance Department

DEPARTMENT HEAD: Troy Elliott

COUNCIL DISTRICTS IMPACTED: Citywide

SUBJECT:

Amending the City's State Legislative Program to include Support for San Antonio Fire and Police Pension Fund's 2023 Legislative Proposal

SUMMARY:

Staff's briefing proposes an amendment to the City's State Legislative Program to include Support for the San Antonio Fire and Police Pension Fund's 2023 Legislative Proposal. The Legislative Proposal reflects administrative changes, the addition of a statutory provision addressing deaths caused or abetted by survivor, clarification of the line of duty death definition and an increase in the non-line of duty Death Benefit Annuity for Surviving Spouses and Children.

BACKGROUND INFORMATION:

The Fire and Police Pension Fund Board (Pension Fund) first approved proposed amendments to the governing statute of the Pension Fund on September 28, 2022 in preparation for the 88th State Legislative Program. The Pension Fund Board Legislative Committee will propose for approval

additional amendments on January 9, 2023 which ultimately would include a Legislative Proposal reflecting administrative changes, the addition of a statutory provision addressing deaths caused or abetted by survivor, clarification of the line of duty death definition and an increase in the non-line of duty Death Benefit Annuity for Surviving Spouses and Children.

The proposed administrative changes to the pension statute update the language to be consistent with federal tax laws and clarify the definition of a line of duty death. Additionally, the proposed legislative package includes a provision for the denial of death benefits to a survivor who, in principal or as an accomplice, willfully brings about the death of a member or beneficiary. These proposed changes would update the statute and clarify the intent of those provisions having no measurable projected financial impact on the Pension Fund.

The proposed expansion of the non-line of duty death benefit annuity reflects work between the City and the Pension Fund to evaluate different options for increasing the current minimum non-line of duty Death Benefit Annuity of 50%. After review of several options, City staff recommends that the Pension Fund's Board Approved Legislative package include an increase in the minimum Death Benefit of 50% to a minimum of 75% for all non-line of duty deaths. The Pension Fund scheduled a Legislative Committee Meeting on Monday January 9th to discuss the revised proposal for this Death Benefit Annuity increase to a minimum of 75% as an amendment to their current legislative package. With this proposed modification to the Pension Fund's non-line of Duty Death Benefit Annuity, City Staff is recommending amending the City's State Legislative Program to include Support for San Antonio Fire and Police Pension Fund's 2023 Legislative Proposal as amended and contingent upon approval by the Pension Funds Legislative Committee and Board.

As determined by the Pension Fund's actuary, the proposed change in the non-line of duty death benefit annuity from a minimum of 50% to 75% would increase the Funds total projected actuarial accrued liability by \$14.8 million and increase the number of years to amortize the unfunded actuarially accrued liability by .8 years, from 13.57 years to 14.37 years.

ISSUE:

The City Council approved the City's State Legislative Program for the 88th State Legislative Session on November 3, 2022. The Legislative Program provides direction to City staff and its consultants during the legislative session. This item proposes an amendment to include a position statement on the San Antonio Fire and Police Pension Fund's 2023 Legislative Proposal.

FISCAL IMPACT:

As determined by the Pension Fund's actuary, the proposed change in the non-line of duty death benefit annuity from a minimum of 50% to 75% would increase the Funds total projected actuarial accrued liability by \$14.8 million and increase the number of years to amortize the unfunded actuarially accrued liability by .8 years, from 13.57 years to 14.37 years.

ALTERNATIVES:

City Council could choose to not approve amending the City's State Legislative Program to include support for the San Antonio Fire and Police Pension Fund's Legislative Proposal.

RECOMMENDATION:

City Staff is recommending amending the City's State Legislative Program to include Support for San Antonio Fire and Police Pension Fund's 2023 Legislative Proposal as amended and contingent upon approval by the Pension Funds Legislative Committee and Board.