

## **CITY MANAGER PROCUREMENT AWARD**

### **ACTION REQUESTED:**

Approve the award of Option Year One to Contract 16-259, Actuarial Services, to Foster & Foster Consulting Actuaries, Inc. for an amount not to exceed \$37,000

**DEPARTMENT:** Finance Department

**SUBMITTED BY:** Rachel Mayer, Director

### **BOARD/COMMISSION REVIEW:**

N/A

### **BACKGROUND:**

The City is required by state statute to have an independent actuarial valuation completed for its Police and Fire Pension Funds on an annual basis. The information is used in preparation of the City's annual tax levy and Comprehensive Annual Financial report (CAFR).

Additionally, the City is required to have an evaluation performed for other post-employment benefits (OPEB) for final preparation of the CAFR GASB statement disclosure information and required supplementary information. OPEB services are completed every three years and updated annually.

On November 15, 2016, the City Manager awarded Contract 16-259, Actuarial Services, to Foster & Foster. The term of the contract was three years beginning January 1, 2017 through December 31, 2019 with two one-year options to extend.

### **DISCUSSION:**

During the original three-year term of the contract, Foster and Foster completed three years of valuation reports and provided the City with a pension modeler to better evaluate funding levels on the City's public safety pension funds. Staff is pleased with the work provided by Foster and Foster and recommends approving the first one-year option.

Foster and Foster has agreed to maintain the rates and terms provided under the current agreement. The presented award total is based on average annual expenses with Foster and Foster during the current three-year agreement.

The term of the first option year is January 1, 2020 to December 31, 2020, with one one-year option remaining on the agreement.



**FISCAL IMPACT:**

CIP #: N/A

Actuarial Services are expensed to the financial services account listed below. Expenses related to this contract will be incurred in 2020. Staff will factor this award into the 2020 Budget proposal, which will be approved later this year.

Account Number	Fund Description	Total Budget Amount
15101100-531304	General Fund	\$253,103

**SUBMITTED BY:**

 Erik Hallgren, Manager Finance Department	<u>9/3/19</u> Date	 Rachel Mayer Chief Procurement Officer	<u>9/3/2019</u> Date KAS 8/20/19
---	-----------------------	---	---

**APPROVED BY:**

 Douglas A. Krieger City Manager	<u>9/5/19</u> Date
--	-----------------------