10

Request for City Council Committee Action
From the Finance Department

Date: February 3, 2005
To: Ways and Means Committee
Referral to: None

Subject:
1) Increase amount of professional services agreement C-17681 by $150,000

Recommendation

1) Authorize the Finance department to spend up to an additional $150,000 for contractual services for actuarial work in support of the City's pension reform and liability assumptions in the Self-Insurance fund.
2) Increase Professional Services Agreement No. C-17681 with Deloitte Consulting by $150,000 to match contract amount with project budget.

Previous Directives: None

Prepared or Submitted by Charles Elliott, Controller, 673.2621

Approved by: Patrick Born, City Finance Officer _____

John Moir, City Coordinator _____

Presenters in Committee: Charles Elliott

Financial Impact (Check those that apply)

X No financial impact - or - Action is within current department budget.
(If checked, go directly to Background/Supporting Information)

___ Action requires an appropriation increase to the Capital Budget
___ Action requires an appropriation increase to the Operating Budget
___ Action provides increased revenue for appropriation increase
___ Action requires use of contingency or reserves
___ Other financial impact (Explain):
__Request provided to the Budget Office when provided to the Committee Coordinator

Community Impact (use any categories that apply)
X Not applicable

Background/Supporting Information Attached:

The reason for the increase in this contract from $200,000 to $350,000 is to support the City's pension reform agenda in the 2005 legislature. The City will propose legislation in 2005 to reform the City's three closed pension funds: MPRA, MFRA and MERF. Actuarial analysis is needed to evaluate proposals, project City costs and assist in negotiations with the three pension funds and others involved in legislative initiatives in 2005.

Other work that Deloitte was contracted to do under this contract: actuarial work in the Self-Insurance fund, YE 2003 accounting work has remained within the original estimates.