




TO: Elizabeth Pauli, Interim City Manager
FROM: Andy Cherullo, Finance Director 
COPY: City Council and City Clerk
SUBJECT: Resolution to amend contract with Gabriel Roeder Smith & Company – March 21, 2017
DATE: March 3, 2017

SUMMARY:

The City entered in a contract with Gabriel Roeder Smith & Company (GRS) on August 1, 2013 to help the Pension Workgroup evaluate the City’s current pension system and conduct a pension benefit design study. The contract was amended December 31, 2014. Amendment number 3 is needed to continue the services and extend the time through December 31, 2019.

STRATEGIC POLICY PRIORITY:

The City created its pension system in 1941 and has not performed a review of the system since its creation. Periodic review and evaluation of benefits offered by the City is a best practice and meets the following strategic priority:

- Encourage and promote an efficient and effective government, which is fiscally sustainable and guided by engaged residents.

BACKGROUND:

In 2013, then City Manager T.C. Broadnax obtained support from the Government Performance and Finance Committee (GPFC) to initiate a study on the long-term sustainability of the City’s pension system (Tacoma Employee’s Retirement System or TERs). A workgroup was formed that included Joy St. Germain, Jim Sant and Andy Cherullo with staff support from Tim Allen. As part of the evaluation process, staff competitively bid and selected Gabriel Roeder Smith & Company (GRS). The Pension Workgroup has been working with GRS since 2013 on evaluating the current system and examining alternative design options. The proposed contract amendment will increase the total contract amount to \$275,000.

ALTERNATIVES:

An option could be to let the contract lapse and have the Pension Workgroup continue without the support of a professional actuary firm which has expertise in pension plans and pension plan design. This option is not recommended. Another option could be to do another competitive RFP process and hire a new consultant. This option is not preferred because it would add additional time and expense to the current process and would not be as efficient as retaining the current contractor.

RECOMMENDATION:

Staff recommend the approval of the contract amendment with GRS.

FISCAL IMPACT:

The proposed contract amendment would add an additional \$100,000 for a new total amount to \$275,000. These funds were budgeted in the 2017-2018 biennial budget.



EXPENDITURES:

FUND NUMBER & FUND NAME *	COST OBJECT (CC/WBS/ORDER)	COST ELEMENT	TOTAL AMOUNT
Internal Service Fund 5800	598702 (80020490)	5310100	\$100,000
TOTAL			\$100,000

* General Fund: Include Department

REVENUES:

FUNDING SOURCE	COST OBJECT (CC/WBS/ORDER)	COST ELEMENT	TOTAL AMOUNT
Internal Service Fund 5800	598702 (80020490)	5310100	\$100,000
TOTAL			\$100,000

POTENTIAL POSITION IMPACT: N/A

POSITION TITLE	PERMANENT/ PROJECT TEMPORARY POSITION	FTE IMPACT	POSITION END DATE
TOTAL			

This section should only be completed if a subsequent request will be made to increase or decrease the current position count.

FISCAL IMPACT TO CURRENT BIENNIAL BUDGET: This amount was budgeted in the 2017-2018 biennial budget.

ARE THE EXPENDITURES AND REVENUES PLANNED AND BUDGETED: YES