

STATEMENT OF BUDGET IMPACT
(Policy Number 94-45)
Budgetary Review of Proposed Resolution &
Ordinances with Financial Implication.

Date: September 2, 2015

File: BIS 15 – 277

File: TMP-2015-00422

Proposed Legislation:

A RESOLUTION OF THE CITY COMMISSION OF THE CITY OF HOLLYWOOD, FLORIDA, AUTHORIZING A SECOND AMENDMENT TO THE AGREEMENT BETWEEN THE CITY OF HOLLYWOOD, FLORIDA AND GABRIEL, ROEDER, SMITH & COMPANY FOR ACTUARIAL CONSULTING SERVICES – GENERAL EMPLOYEE' RETIREMENT FUND, IN THE AMOUNT OF \$12,000.00 FOR ADDITIONAL SERVICES RELATED TO AN EXCESS BENEFITS PLAN STUDY, IRS SECTION 415 CALCULATIONS, AND SUPPLEMENTAL PENSION DISTRIBUTIONS.

Statement of Budget Impact:

1. ☐ No Budget Impact associated with this action;
2. ☒ Sufficient budgetary resources identified/available;
3. ☐ Budgetary resources not identified/unavailable;
4. ☐ Potential Revenue is possible with this action;
5. ☒ Will not increase the cost of Housing;
6. ☐ May increase the cost of Housing; (CDAB review required)

Explanation:

This Resolution seeks to authorize a second amendment to the existing agreement between Gabriel, Roeder, Smith & Company, "GRS", and the City of Hollywood for the provision of professional actuarial services. Previously in March of 2010, the City had issued a Request For Proposals, RFP, for actuarial services to be provided to the General Employees' Retirement Fund. Subsequently, pursuant to Resolution R-2010-126, adopted and approved by the City Commission on May 19, 2010, the firm of Gabriel, Roeder, Smith & Company was awarded the bid for the provision of actuarial services to the General Employees' Retirement Fund with an estimated annual cost of \$18,000.00.

Currently, additional professional actuarial services will need to be performed by GRS for the General Employees' Retirement Fund including the completion of an experience study which is periodically conducted, compliance with certain Government Accounting Standard Board pronouncements impacting pensions, and the performance of an analysis relating to the supplemental pension distribution. The anticipated cost for professional actuarial services to be rendered will exceed the estimated annual contract cost of \$18,000.00 and requires Commission action. It is estimated that additional hours of professional actuarial services will be required from GRS and the additional costs to be incurred for the provision of the above described actuarial services based upon the rates contained in the agreement between the City and GRS will exceed \$50,000.00.

The additional professional actuarial services noted above and the cost for these additional services was previously approved by the City Commission pursuant to Resolution R-2015-198 which was adopted and approved on July 8, 2015. Subsequent to the approval of Resolution R-2015-198, it has been learned that professional actuarial services are also needed to be performed on the excess benefits plan study, IRS Section 415 calculations, and additional analysis work related to the supplemental pension distribution of the General Employees' Retirement Fund at the cost of \$12,000.00.

Funding for the anticipated costs of the professional actuarial services to be rendered will be made available in account #01.1228.00000.513.003115 of the adopted FY 2015 Operating Budget.

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