

Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: Richard Doyle
City Attorney

SUBJECT: **Second Continuation
Agreement for Consultant
Services with Bartel Associates
LLC**

DATE: January 8, 2010

RECOMMENDATION

Adopt a resolution authorizing the City Attorney to negotiate and execute a Second Continuation Agreement with Bartel Associates LLC for actuarial services related to labor negotiations, to modify the scope of services and to continue the term through December 31, 2010, with no increase in total compensation.

OUTCOME

Approval of a Second Continuation Agreement will allow Bartel Associates LLC to continue to provide current and additional actuarial services related to the City's labor negotiations through December 31, 2010.

BACKGROUND

On April 15, 2005, the City Attorney executed a \$20,000 agreement with Bartel Associates LLC for actuarial services related to the San Jose Police and Fire Department Retirement Plan. The agreement has been subsequently amended and continued to increase the total compensation to \$330,000, to extend the term through December 31, 2009, and to expand the scope of services to include preparation of an actuarial valuation of the City's Federated Retirement Plan, actuarial valuation of post employment benefit obligations compliant with Governmental Accounting Standards Board Statement 45 (GASB 45), and actuarial services relating to labor negotiations with the San Jose Police Officers' Association.

The City seeks to continue the Agreement to allow Bartel Associates LLC to provide current actuarial services and to modify the scope of the services to allow for additional actuarial services relating to analysis and reports of the City of San Jose Federated City Employees' Retirement System and Police and Fire Department Retirement Plan, which may include alternative pension and retiree healthcare benefit designs and assistance during any upcoming arbitration with sworn bargaining units.

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ANALYSIS

The services of Bartel Associates LLC are needed to conduct actuarial services relating to labor negotiations on the issues of pension and retiree healthcare benefits for current employees and new hires. Bartel Associates LLC can also provide actuarial services for labor negotiations with both sworn and nonsworn bargaining units. Actuarial services provided by Bartel Associates LLC are essential to support the City during these negotiations. Finally, the City of San Jose may utilize the actuarial services of Bartel Associates LLC if the City proceeds to interest arbitration with any sworn bargaining unit. It is necessary to continue the Agreement through December 31, 2010, and modify the scope of services to allow for these necessary services.

PUBLIC OUTREACH/INTEREST

This memo is posted on the City's website for the January 26, 2010 Agenda.

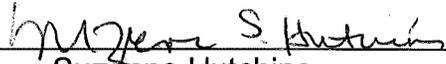
COORDINATION

This memo has been coordinated with the City Manager's Office – Office of Employee Relations.

CEQA

Not a Project.

RICHARD DOYLE
City Attorney

By 
Suzanne Hutchins
Deputy City Attorney

cc: Debra Figone

For questions please contact SUZANNE HUTCHINS at (408) 535-1915