

**OFFICE OF INDEPENDENT BUDGET ANALYST  
CITY OF SAN DIEGO  
M E M O R A N D U M**

Date: November 18, 2008

To: Honorable Council President Scott Peters and Members of the City Council

From: Andrea Tevlin, Independent Budget Analyst

Subject: Monthly Update on Contract with Actuarial Service Company, P.C.

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On February 5, 2008, the City Council approved Item-330, Agreement with Actuarial Service Company, P.C. (Company) to provide anticipated actuarial consulting services and analyses related to the City's retirement system for an amount not to exceed \$152,000. As previously stated in "Update on Contract with Actuarial Service Company, P.C.," the Council directed the IBA to provide a monthly status update and review of the Actuarial Contract. This update covers work performed during the month of October.

For the month of October, the Company billed the City \$12,778.98 for a total of 43.4 hours of work, plus travel expenses. Approximately \$44,000 remains on the contract for future services. Listed below is a breakdown of the work performed for each recipient.

| <b>October 2008 Fee Summary</b> |                     |
|---------------------------------|---------------------|
| <b>Total Contract Amount</b>    | \$ 152,423.85       |
| <b>Previously Invoiced</b>      | \$ 95,588.17        |
| <i>October Expenses</i>         |                     |
| IBA                             | \$ 1,608.00         |
| City Attorney                   | \$ 11,170.98        |
| <b>Total May Expenses</b>       | <b>\$ 12,778.98</b> |
| <b>Balance Remaining</b>        | <b>\$ 44,056.70</b> |

*Services performed for:*

**Independent Budget Analyst**

The Company billed the City \$1,608 for 6.7 hours of work at the request of the IBA. In that time, Mr. Esuchanko reviewed his previous DROP study and prepared a proposal for updating that study, should it be desired by the City.

**City Attorney**

The Company billed the City Attorney \$8,808 for 36.7 hours of work and \$2,362.98 in travel expenses. In that time, Mr. Esuchanko analyzed the MEA settlement and came to San Diego to make a presentation to the City Council on that topic. Mr. Esuchanko also

began reviewing SDCERS' investment information and making updated UAAL projections. As stated in previous memos, the Mayor has authorized Mr. Esuchanko to perform work requested by the City Attorney up to \$50,000. To date, the City Attorney has expended approximately \$28,000. The Mayor has assumed responsibility for funding.

Since the inception of the Agreement, approximately \$108,000 of the \$152,000 contract has been spent on actuarial services. \$44,000 remains for future work to be performed by the Company.

| <b>Actuarial Services Contract Breakdown</b> |                          |                      |                      |
|--|--------------------------|----------------------|----------------------|
|  | <b>Mayor/Council/IBA</b> | <b>City Attorney</b> | <b>COMBINED</b>      |
| Expended                                     | \$ 80,636.60             | \$ 27,730.55         | \$ 108,367.15        |
| Remaining                                    | \$ 21,787.25             | \$ 22,269.45         | \$ 44,056.70         |
| <b>TOTAL CONTRACT VALUE</b>                  | <b>\$ 102,423.85</b>     | <b>\$ 50,000.00</b>  | <b>\$ 152,423.85</b> |

Attachment: October 2008 Fee Summary, Actuarial Service Company, P.C.