

AGREEMENT FOR CONSULTANT SERVICES

THIS AGREEMENT is made and entered into on 01/31/22 by and between TOWN OF LOS GATOS, a California municipal corporation, ("Town") and Bartel Associates, LLC, ("Consultant"), whose address is 411 Borel Avenue, Suite 620, San Mateo, CA 94402. This Agreement is made with reference to the following facts.

I. RECITALS

- 1.1 The Town desire to engage Consultant to provide professional actuarial services.
- 1.2 The Consultant represents and affirms that it is willing to perform the desired work pursuant to this Agreement.
- 1.3 Consultant warrants it possesses the distinct professional skills, qualifications, experience, and resources necessary to timely perform the services described in this Agreement. Consultant acknowledges Town has relied upon these warranties to retain Consultant.

II. AGREEMENTS

- 2.1 Scope of Services. Consultant shall provide services as described in that certain proposal sent to the Town on October 27, 2021, which is hereby incorporated by reference and attached as Attachment 1.
- 2.2 Term and Time of Performance. This contract will remain in effect from 01/31/22 to 01/31/27.
- 2.3 Compliance with Laws. The Consultant shall comply with all applicable laws, codes, ordinances, and regulations of governing federal, state and local laws. Consultant represents and warrants to Town that it has all licenses, permits, qualifications and approvals of whatsoever nature which are legally required for Consultant to practice its profession. Consultant shall maintain a Town of Los Gatos business license pursuant to Chapter 14 of the Code of the Town of Los Gatos.
- 2.4 Sole Responsibility. Consultant shall be responsible for employing or engaging all persons necessary to perform the services under this Agreement.
- 2.5 Information/Report Handling. All documents furnished to Consultant by the Town and all reports and supportive data prepared by the Consultant under this Agreement are the Town's property and shall be delivered to the Town upon the completion of Consultant's services or at the Town's written request. All reports, information, data, and exhibits prepared or assembled by Consultant in connection with the performance of its services pursuant to this Agreement are confidential until released by the Town to the public, and the Consultant shall not make any of the these documents or information available to any

individual or organization not employed by the Consultant or the Town without the written consent of the Town before such release. The Town acknowledges that the reports to be prepared by the Consultant pursuant to this Agreement are for the purpose of evaluating a defined project, and Town's use of the information contained in the reports prepared by the Consultant in connection with other projects shall be solely at Town's risk, unless Consultant expressly consents to such use in writing. Town further agrees that it will not appropriate any methodology or technique of Consultant which is and has been confirmed in writing by Consultant to be a trade secret of Consultant.

2.6 Compensation. Compensation for Consultant's professional services **shall not exceed \$190,400**, inclusive of all costs. Payment shall be based upon Town approval of each task.

2.7 Billing. Billing shall be monthly by invoice within thirty (30) days of the rendering of the service and shall be accompanied by a detailed explanation of the work performed by whom at what rate and on what date. Also, plans, specifications, documents or other pertinent materials shall be submitted for Town review, even if only in partial or draft form.

Payment shall be net thirty (30) days. All invoices and statements to the Town shall be addressed as follows:

Invoices:

Town of Los Gatos

Attn: Accounts Payable

P.O. Box 655

Los Gatos, CA 95031-0655

2.8 Availability of Records. Consultant shall maintain the records supporting this billing for not less than three years following completion of the work under this Agreement. Consultant shall make these records available to authorized personnel of the Town at the Consultant's offices during business hours upon written request of the Town.

2.9 Assignability and Subcontracting. The services to be performed under this Agreement are unique and personal to the Consultant. No portion of these services shall be assigned or subcontracted without the written consent of the Town.

2.10 Independent Contractor. It is understood that the Consultant, in the performance of the work and services agreed to be performed, shall act as and be an independent contractor and not an agent or employee of the Town. As an independent contractor he/she shall not obtain any rights to retirement benefits or other benefits which accrue to Town employee(s). With prior written consent, the Consultant may perform some obligations under this Agreement by subcontracting, but may not delegate ultimate responsibility for performance or assign or transfer interests under this Agreement. Consultant agrees to testify in any litigation brought regarding the subject of the work to be performed under this Agreement. Consultant shall be compensated for its costs and expenses in preparing

for, traveling to, and testifying in such matters at its then current hourly rates of compensation, unless such litigation is brought by Consultant or is based on allegations of Consultant's negligent performance or wrongdoing.

- 2.11 Conflict of Interest. Consultant understands that its professional responsibilities are solely to the Town. The Consultant has and shall not obtain any holding or interest within the Town of Los Gatos. Consultant has no business holdings or agreements with any individual member of the Staff or management of the Town or its representatives nor shall it enter into any such holdings or agreements. In addition, Consultant warrants that it does not presently and shall not acquire any direct or indirect interest adverse to those of the Town in the subject of this Agreement, and it shall immediately disassociate itself from such an interest, should it discover it has done so and shall, at the Town's sole discretion, divest itself of such interest. Consultant shall not knowingly and shall take reasonable steps to ensure that it does not employ a person having such an interest in this performance of this Agreement. If after employment of a person, Consultant discovers it has employed a person with a direct or indirect interest that would conflict with its performance of this Agreement, Consultant shall promptly notify Town of this employment relationship, and shall, at the Town's sole discretion, sever any such employment relationship.
- 2.12 Equal Employment Opportunity. Consultant warrants that it is an equal opportunity employer and shall comply with applicable regulations governing equal employment opportunity. Neither Consultant nor its subcontractors do and neither shall discriminate against persons employed or seeking employment with them on the basis of age, sex, color, race, marital status, sexual orientation, ancestry, physical or mental disability, national origin, religion, or medical condition, unless based upon a bona fide occupational qualification pursuant to the California Fair Employment & Housing Act.

III. INSURANCE AND INDEMNIFICATION

3.1 Minimum Scope of Insurance:

- i. Consultant agrees to have and maintain, for the duration of the contract, General Liability insurance policies insuring him/her and his/her firm to an amount not less than: one million dollars (\$1,000,000) combined single limit per occurrence for bodily injury, personal injury and property damage.
- ii. Consultant agrees to have and maintain for the duration of the contract, an Automobile Liability insurance policy ensuring him/her and his/her staff to an amount not less than one million dollars (\$1,000,000) combined single limit per accident for bodily injury and property damage.
- iii. Consultant shall provide to the Town all certificates of insurance, with original endorsements effecting coverage. Consultant agrees that all

certificates and endorsements are to be received and approved by the Town before work commences.

- iv. Consultant agrees to have and maintain, for the duration of the contract, professional liability insurance in amounts not less than \$1,000,000 which is sufficient to insure Consultant for professional errors or omissions in the performance of the particular scope of work under this agreement.

General Liability:

- i. The Town, its officers, officials, employees and volunteers are to be covered as insured as respects: liability arising out of activities performed by or on behalf of the Consultant; products and completed operations of Consultant, premises owned or used by the Consultant. This requirement does not apply to the professional liability insurance required for professional errors and omissions.
- ii. The Consultant's insurance coverage shall be primary insurance as respects the Town, its officers, officials, employees and volunteers. Any insurance or self-insurances maintained by the Town, its officers, officials, employees or volunteers shall be excess of the Consultant's insurance and shall not contribute with it.
- iii. Any failure to comply with reporting provisions of the policies shall not affect coverage provided to the Town, its officers, officials, employees or volunteers.
- iv. The Consultant's insurance shall apply separately to each insured against whom a claim is made or suit is brought, except with respect to the limits of the insurer's liability.

3.2 All Coverages. Each insurance policy required in this item shall be endorsed to state that coverage shall not be suspended, voided, cancelled, reduced in coverage or in limits except after thirty (30) days' prior written notice by certified mail, return receipt requested, has been given to the Town. Current certification of such insurance shall be kept on file at all times during the term of this agreement with the Town Clerk.

3.3 Workers' Compensation. In addition to these policies, Consultant shall have and maintain Workers' Compensation insurance as required by California law and shall provide evidence of such policy to the Town before beginning services under this Agreement. Further, Consultant shall ensure that all subcontractors employed by Consultant provide the required Workers' Compensation insurance for their respective employees.

- 3.4 Indemnification. The Consultant shall save, keep, hold harmless and indemnify and defend the Town its officers, agent, employees and volunteers from all damages, liabilities, penalties, costs, or expenses in law or equity that may at any time arise or be set up because of damages to property or personal injury received by reason of, or in the course of performing work which may be occasioned by a willful or negligent act or omissions of the Consultant, or any of the Consultant's officers, employees, or agents or any subconsultant.

IV. GENERAL TERMS

- 4.1 Waiver. No failure on the part of either party to exercise any right or remedy hereunder shall operate as a waiver of any other right or remedy that party may have hereunder, nor does waiver of a breach or default under this Agreement constitute a continuing waiver of a subsequent breach of the same or any other provision of this Agreement.
- 4.2 Governing Law. This Agreement, regardless of where executed, shall be governed by and construed to the laws of the State of California. Venue for any action regarding this Agreement shall be in the Superior Court of the County of Santa Clara.
- 4.3 Termination of Agreement. The Town and the Consultant shall have the right to terminate this agreement with or without cause by giving not less than fifteen days (15) written notice of termination. In the event of termination, the Consultant shall deliver to the Town all plans, files, documents, reports, performed to date by the Consultant. In the event of such termination, Town shall pay Consultant an amount that bears the same ratio to the maximum contract price as the work delivered to the Town bears to completed services contemplated under this Agreement, unless such termination is made for cause, in which event, compensation, if any, shall be adjusted in light of the particular facts and circumstances involved in such termination.
- 4.4 Amendment. No modification, waiver, mutual termination, or amendment of this Agreement is effective unless made in writing and signed by the Town and the Consultant.
- 4.5 Disputes. In any dispute over any aspect of this Agreement, the prevailing party shall be entitled to reasonable attorney's fees, including costs of appeal.
- 4.6 Notices. Any notice required to be given shall be deemed to be duly and properly given if mailed postage prepaid, and addressed to:

Town of Los Gatos
Attn: Town Clerk
110 E. Main Street
Los Gatos, CA 95030

Bartel Associates, LLC
411 Borel Avenue
Suite 620
San Mateo, CA 94402

or personally delivered to Consultant to such address or such other address as Consultant designates in writing to Town.

- 4.7 Order of Precedence. In the event of any conflict, contradiction, or ambiguity between the terms and conditions of this Agreement in respect of the Products or Services and any attachments to this Agreement, then the terms and conditions of this Agreement shall prevail over attachments or other writings.
- 4.8 Entire Agreement. This Agreement, including all Exhibits, constitutes the complete and exclusive statement of the Agreement between the Town and Consultant. No terms, conditions, understandings or agreements purporting to modify or vary this Agreement, unless hereafter made in writing and signed by the party to be bound, shall be binding on either party.

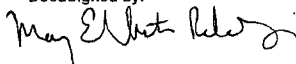
IN WITNESS WHEREOF, the Town and Consultant have executed this Agreement.

Town of Los Gatos by:

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Laurel Prevetti, Town Manager 2/14/2022

Consultant, by:

DocuSigned by:

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2/4/2022

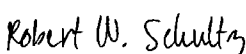
Recommended by:

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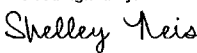
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Stephen Conway, Finance Director 2/4/2022

Mary Elizabeth Redding
Bartel Associates, LLC

Approved as to Form:

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Robert Schultz, Town Attorney 2/11/2022

Attest:

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Shelley Neis, MMC, CPMC
Town Clerk 2/14/2022



BARTHEL
ASSOCIATES, LLC

Town of Los Gatos

Proposal for Actuarial Services

Bartel Associates, LLC
411 Borel Avenue, Suite 620
San Mateo, California 94402
Phone: 650-377-1600
October 27, 2021

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October 27, 2021

Stephen Conway
Finance Director
Town of Los Gatos
Finance Department
110 E. Main Street
Los Gatos, CA 95030

Re: Request for Proposals for Actuarial Services

Dear Mr. Conway:

We are pleased to provide our response to the Town of Los Gatos' Request for Proposals for Actuarial Services.

Our proposal includes our firm's background and qualifications, the project scope, references, our estimated fees, the staff assigned to the project, and our proposed timetable.

Please contact me if you have any questions regarding our proposal.

We look forward to hearing from you.

Sincerely,



Joseph R. D'Onofrio, FSA
Assistant Vice President

Bartel Associates
411 Borel Avenue, Suite 620
San Mateo, CA 94402
Phone: 650-377-1610
Fax: n/a
Email: jdonofrio@bartel-associates.com

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Background

Retiree Healthcare Plan (OPEB)

The Town provides healthcare benefits through the CalPERS Health Program (PEMHCA), providing a contribution equal to the PEMHCA minimum amount for employees who retire directly from the Town. The Town provides an additional amount through health reimbursement accounts for employees hired before October 1, 2018 (July 1, 2018 for AFSCME employees and August 22, 2018 for TEA employees) as follows:

The maximum additional Town contribution is:

- The Kaiser Region 1 single premium for retirees who elect single coverage, less the PEMHCA minimum amount.
- The Kaiser Region 1 single premium plus 90% of the Kaiser Region 1 premium for the coverage elected less the Kaiser Region 1 single premium for retirees who elect 2-party and family coverage, less the PEMHCA minimum amount.

The maximum amounts are determined as follows:

- Kaiser Basic premiums are used at all ages for employees who retired before February 1, 2016.
- Kaiser Basic premiums are used until Medicare eligibility and Kaiser Medicare premiums are used after Medicare eligibility for employees who retired on or after February 1, 2016.
- The total Town contribution, including the PEMHCA minimum, is subject to the “5% unequal method” PEMHCA rules. The Town joined PEMHCA in 1991.

As requested, our actuarial valuation reports will include recommended contributions and the plan’s funded status. We will prepare roll-forward GASBS 75 accounting information reports and the CERBT actuarial information packet. We can meet with the Town and its auditors, as needed, to discuss and review our reports. We will assist the Town in implementing new GASB requirements and pronouncements related to the OPEB plan and will provide ongoing professional consultation.

The Town plans on entering into an agreement with the successful bidder for a period of five years starting with 2021/22 and ending with 2025/26. This period will include full biennial actuarial valuations as of June 30, 2021, June 30, 2023, and June 30, 2025.

Bartel Associates has prepared the Town’s OPEB actuarial valuation reports since 2008 and its GASBS 75 accounting information reports since 2018.

CalPERS Valuation Reviews

The Town has requested the actuary provide annual reviews of its CalPERS Miscellaneous and Safety pension plans. These reviews will include projected contributions, projected funded status, and the impact of proposed Additional Discretionary Payments.

CalPERS issued its June 30, 2020 actuarial valuation reports during July 2021. It will also issue

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valuation reports as of June 30, 2021 through June 30, 2024 within the five-year contract period of 2021/22 through 2025/26. Our proposal includes CalPERS reviews for these five valuation dates. We will provide ongoing professional consultation for the Town's CalPERS pension plans.

Bartel Associates has prepared CalPERS valuation reviews for the Town since 2000.

CalPERS GASBS 68 Accounting Information Reports

CalPERS provides GASBS 68 accounting information reports for agent plans. However, it provides only information that can be used as the basis for GASBS 68 reporting but does not provide individual agency accounting information reports for risk pool plans. The Town's CalPERS Miscellaneous pension plan is an agent plan. The Town's CalPERS Safety Classic and PEPRAs pension plans are risk pool plans.

The Town has requested the actuary to provide GASBS 68 accounting information reports for its Safety risk pool plans for the fiscal years ending within the five-year contract period of 2021/22 through 2025/26, that is for the four fiscal years ending June 30, 2022 through June 30, 2025. The Town has received a GASBS 68 accounting information report for the fiscal year ended June 30, 2021. The report for the year ending June 30, 2026 will be done after June 30, 2026. We will assist the Town in implementing new GASB requirements and pronouncements related to the risk pool plans and will provide ongoing professional consultation.

Bartel Associates has prepared the Town's Safety risk pool GASBS 68 accounting information reports since 2016.

Project Approach

OPEB Actuarial Valuation Process

Our OPEB actuarial valuation process includes the following steps:

- **Data Collection** - The Town will provide documentation of the plan provisions, healthcare providers, premiums, asset information, funding policy, and participant census information.
- **Data Review** - We will review the requested information and provide a list of any questions and recommendations to improve data quality, when appropriate.
- **Methods and Assumptions** - We will recommend the actuarial assumptions and methods with the Town's input. The actuarial assumptions used for the valuation may include discount rate, general inflation, payroll increases, healthcare trend, mortality, termination, disability, retirement, participation, healthcare plan, Medicare eligibility, marital status, spouse's age, and dependent coverage at retirement.
- **Valuation Processing** - We prepare actuarial valuations using ProVal software, a comprehensive and widely used and respected retirement benefit valuation system developed by Winklevoss Technologies, LLC.

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Our procedures for quality control include the checking of computer programs and calculations by a second actuary and the review of valuation results and presentation materials by senior actuaries. We keep client information secure by encrypting all files kept on our computers.

- Preliminary Results Meeting - We will meet with Town staff to review the preliminary actuarial valuation results. After the Town's review and comments, we will provide a final actuarial valuation report.
- CERBT Valuation Packet – We will provide a draft CERBT Valuation Packet required by CalPERS for agencies funding with the California Employers' Retiree Benefit Trust Fund (CERBT). Our actuarial valuation report meets all CERBT requirements.

Each OPEB valuation report we prepare includes a summary of plan provisions and participants, actuarial methods and assumptions, the valuation results and their financial impact. Our valuations include projections of costs and funding progress and studies of plan design and prefunding alternatives, when requested.

Our OPEB actuarial valuation reports include the following information:

- Summary of plan provisions
- Current funding policy
- Historical summary of benefit payments and trust contributions
- Reconciliation of trust assets since the prior valuation
- Actuarial Obligations
 - Present Value of Benefits
 - Actuarial Accrued Liability
 - Market Value and Actuarial Value of Assets
 - Unfunded Actuarial Accrued Liability
 - Normal Cost
 - Expected Benefit Payments
- Actuarial obligations broken down by cash subsidy and implicit subsidy
- Actuarially Determined Contributions
- Estimated gain/loss analysis showing the reasons for changes in the Actuarial Accrued Liability and funded status from the prior valuation
- Actuarial methods and assumptions
- Actuarial certification
- Summary of the participant data
 - Number of participants, average ages, service, payroll, etc.
 - Reconciliation of participant counts since the prior valuation
 - Active age/service distributions
 - Active employee and retiree healthcare plan and coverage elections
 - Retirement age distributions
 - Retiree coverage elections by age

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Our OPEB GASBS 75 accounting information reports include:

- Notes to Financial Statement
 - OPEB Expense
 - Changes in Net OPEB Liability
 - Net OPEB Liability Sensitivity
 - Deferred Outflows and Deferred Inflows of Resources Balances
 - Schedule of Recognition of Deferred Outflows and Inflows of Resources
 - Covered Employees
 - Significant Actuarial Assumptions
- Required Supplementary Information
 - Schedule of Changes in Total OPEB Liability
 - Schedule of Changes in Plan Fiduciary Net Position
 - Schedule of Net OPEB Liability
 - Schedule of Employer Contributions
- Actuarial Certification
- Supporting Calculations
- Draft Journal Entries

We generally need 6 to 8 weeks to complete an actuarial valuation after we receive all the requested information and the Town replies to any questions we may have after our review of the information provided. The Town should therefore provide the requested data early enough and in the format requested so we can complete the valuation in time to meet any needs the Town may have for the valuation results. We can usually provide GASBS 75 accounting information reports within 2 to 3 weeks after we have received all GASBS 75 requested information if the corresponding actuarial valuation has been completed.

CalPERS Review Process

Our CalPERS review process includes the following steps:

- Data Collection - The Town will provide the following information for both the Miscellaneous and Safety CalPERS pension plans:
 - Correspondence with CalPERS regarding any Additional Discretionary Payments made since the date of the last valuation report prepared by CalPERS.
 - Description of Employer Paid Member Contributions (EPMC) for Classic members, if any, by bargaining unit.
 - Details of any other cost-sharing arrangements, such as member-paid contributions for a portion of the employer's CalPERS contribution.
 - Budgeted payroll by CalPERS tier if the Town prefers we use their payroll projections for the report contribution projections rather than using CalPERS's assumed payroll increase assumption.
 - Debt service and its allocations between the Miscellaneous and Safety plans for any Pension Obligation Bonds issued by the Town.

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- Other CalPERS correspondence, if appropriate, to help us understand the Town's CalPERS pension commitment and any actions or changes since the date of the last actuarial valuation.
- **Processing** - We prepare our CalPERS reviews using the results provided in CalPERS' valuation reports and perform stochastic projections using proprietary software. We use ProVal to develop the economic scenarios used for the stochastic projections. Our asset class capital market assumptions are based on surveys of future return, volatility, and correlation expectations of a number of investment advisors.
Our procedures for quality control include the checking of results by a second actuary and the review of the report and presentation materials by senior actuaries.
- **Preliminary Results Meeting** - We will meet with the Town to review the preliminary results. After the Town's review and comments, we will provide a final report.

Our CalPERS review reports contain:

- A summary of historical participant, contribution, and funded status information provided in past CalPERS's actuarial valuation reports, including liability and contribution changes between the two most recent actuarial valuation reports available.
- A projection of employer contributions, as a percentage of payroll and in dollars, showing the most likely results, along with the 25th and 75th percentiles, from 1,000 stochastic economic trials.
- Normal cost and amortization payments components of the 50th percentile results as a percentage of payroll and as dollar amounts.
- Funded status projection showing the 25th, 50th and 75th percentiles from the stochastic analysis.
- Saving impact of paying off selected short and long period amortization bases.
- Summary of actuarial assumptions used for the projections and analyses.

We generally need 4 to 5 weeks to complete a CalPERS review after we receive all the requested information and the Town replies to any questions we may have after our review of the information provided. The Town should therefore provide the requested data early enough so we can complete our report in time to meet any needs the Town may have for the results.

CalPERS GASBS 68 Accounting Information Process

Our GASBS 68 accounting information report preparation process includes the following steps:

- **Data Collection** - The Town will provide the following information available on my|CalPERS at the end of each fiscal year:
 - Fiscal year CalPERS contributions by rate group.
 - Fiscal year CalPERS covered payroll in Excel format.
- **Processing** - We will prepare a GASBS 68 accounting information report for the Town's risk pool plans after the end of each fiscal year using the data provided by the Town along with

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CalPERS' "Schedule of Employer Allocations for Components of Net Pension Liability and Schedule of Collective Pension Amounts."

Our procedures for quality control include the checking of calculations and the review of results by a senior actuary.

- Draft Results and Meeting - We will meet with the Town by conference call to review the preliminary report, if needed.
- Final Report - After the Town and its auditor have reviewed our draft report, we will provide a final report.

Our CalPERS GASBS 68 accounting information reports include:

- Notes to Financial Statement
 - Pension Expense
 - Proportionate Share of Net Pension Liability
 - Net Pension Liability Sensitivity
 - Deferred Outflows and Deferred Inflows of Resources Balances
 - Schedule of Recognition of Deferred Outflows and Inflows of Resources
 - Significant Actuarial Assumptions
- Required Supplementary Information
 - Schedule of Proportionate Share of Net Pension Liability
 - Schedule of Employer Contributions
- Supporting Calculations
- Draft Journal Entries

We generally need 3 to 4 weeks to prepare a GASBS 68 report after we receive all the requested information and the Town replies to any questions we may have after our review of the information provided.

Project Team

The senior staff on our project teams will include:

- OPEB Projects
 - Joseph D'Onofrio
 - Katherine Moore
- CalPERS Reviews
 - Joseph D'Onofrio
 - Bianca Lin
- CalPERS GASBS 68 Report
 - Mary Elizabeth Redding
 - Kateryna Doroshenko

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All senior project team members have worked on prior similar projects for the Town in the past. They will be assisted by our actuarial analyst staff. We manage our workflow based on agreed-upon timetables. Since all our clients are important to us, the Town should plan on providing requested information in the format requested per an agreed-upon timetable in order for us to meet deliverable deadlines.

The actuaries assigned to the project team are qualified to undertake the project in accordance with the Code of Professional Conduct of the American Academy of Actuaries and the Society of Actuaries and to issue Statements of Actuarial Opinion in accordance with the Qualification Standards of the American Academy of Actuaries.

Biographies of project team members are included below. Information about our firm and other staff member biographies can be found on our website at www.bartel-associates.com.

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Joseph R. D'Onofrio, Assistant Vice President

Experience/Responsibilities

With over 40 years in employee benefits, Joe has served as retirement consultant for numerous public agencies, private sector corporations, governmental employers, governmental contractors, nonprofit organizations, and professional corporations.

Joe's experience includes:

- Public sector and corporate pension and OPEB plan consulting, plan design, administration
- Pension and OPEB plan actuarial valuations
- Supplemental plan design and valuations
- GASB, FASB, and CAS accounting
- CalPERS consulting including:
 - Stochastic contribution projections
 - Additional funding studies
 - 115 trust analyses
 - Golden handshake costing
 - Replacement benefit plan costing
 - Pension obligation bond success analyses
 - Pension override tax estimates
- Qualified retirement plan design and valuations
- Nonqualified executive retirement plans
- Asset liability modeling
- Corporate merger and acquisition issues
- Plan terminations

Affiliations/Designations/Education

- Fellow of the Society of Actuaries
- Member of the American Academy of Actuaries
- Enrolled Actuary under ERISA
- Fellow of the Conference of Consulting Actuaries
- BS Physics, The Cooper Union for the Advancement of Science and Art, New York City

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Katherine Moore, Associate Actuary

Experience/Responsibilities

Katherine has been with Bartel Associates for 14 years. All of her work is with plans sponsored by public employers. Her experience includes:

- Pension and OPEB actuarial valuations
- GASB accounting
- Cost analysis for benefit changes
- Forecasting future contributions and benefit levels
- Benefit calculations
- Actuarial audits
- Actuarial experience studies

Affiliations/Designations/Education

- Associate of the Society of Actuaries
- Member of the American Academy of Actuaries
- BA in Economics, Washington University, St. Louis
- MS in Statistics, California State University, East Bay

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Bianca Lin, Assistant Vice President

Experience/Responsibilities

With over 25 years in employee benefit consulting, Bianca specializes in:

- Governmental pension and retiree medical plan consulting
- Actuarial valuations for private and public sector pension plans
- GASB and FASB accounting valuations
- Cost analysis and projections of various post-employment benefit programs
- Review and analysis of CalPERS valuations
- Cost analysis for CalPERS agency

Affiliations/Designations/Education

- Fellow of the Society of Actuaries
- Member of the American Academy of Actuaries
- Enrolled Actuary under ERISA
- Fellow of the Conference of Consulting Actuaries
- MS Statistics, National Tsing Hwa University, Taiwan

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Mary Elizabeth Redding, Vice President

Experience/Responsibilities

With over 30 years in employee benefits, Mary Elizabeth has served as retirement consultant for a wide range of public agencies, corporations, government contractors, and nonprofit organizations. Mary Elizabeth excels in understanding her client's benefit programs and communicating clearly so clients can make the best decisions possible for their organizations.

Mary Elizabeth's work includes:

- Government and corporate pension and retiree medical plan consulting, valuation and financial modeling and analysis
- Experience studies and actuarial audits
- Employee communications, plan amendments, and summary plan descriptions
- GASB, FASB, CASB, and IAS accounting valuations
- Stochastic asset/liability modeling
- Presentations to Retirement Boards, City Councils, District Boards and Finance Committees on actuarial issues
- Assistance with implementation of GASB Statements 67, 68, 74, and 75 including GASB 68 reporting information CalPERS cost sharing public agencies
- Current event communication through articles and website postings
- Actuarial consulting for CalPERS agencies including contribution projections, special benefit costing, funding analyses including and POBs.

Professional Activities

- Assisted the CCMA (California Committee on Municipal Accounting, a joint committee comprised of representatives of the League of California Cities and the California Society of Certified Public Accountants) with the 2015 GASB 68 White Paper and its 2016 Update.
- Speaker on actuarial issues relating to GASB accounting rules and CalPERS costs for CSMFO (California Society of Municipal Finance Officers) state-wide and local chapter meetings, CalCPA Government Accounting training class, CALPELRA, and client educational seminars sponsored by several California accounting firms.

Affiliations/Designations/Education

- Fellow of the Society of Actuaries
- Member of the American Academy of Actuaries
- Enrolled Actuary under ERISA
- Fellow of the Conference of Consulting Actuaries
- BS Geology and Geophysics, Yale University, New Haven, CT.

SECTION 1

PROJECT UNDERSTANDING AND PLAN

Kateryna Doroshenko

Experience/Responsibilities

Kateryna will be the actuarial analyst assigned to prepare the CalPERS GASBS 68 reports.

Kateryna has been managing the GASB 68 report preparation, checking work, and handling client communications since the implementation of the GASB 68 Statement in 2016. In addition, she works on different aspects of OPEB actuarial valuations, such as data analysis, review of plan benefits, valuation programming, as well as determination of liabilities and costs under the guidelines of GASBS 74, 75, 67 and 68. She is familiar with PEMHCA medical plans and plans that prefund benefits. All of Kateryna's work is with plans sponsored by public agencies.

Affiliations/Designations/Education

- Pursuing membership in the Society of Actuaries. Completed 5 exams.
- BS, MS in Applied Statistics, Taras Shevchenko National University of Kyiv, Ukraine

SECTION 2

FIRM PROFILE AND EXPERIENCE

Bartel Associates, LLC is an actuarial consulting firm specializing in providing California counties, cities, districts, and other public agencies with actuarial consulting services:

- OPEB Plans - We prepare OPEB actuarial valuations and studies to provide recommended prefunding contributions, projections showing the effectiveness of an agency's funding policy, and accounting information for GASB Statement Nos. 74 and 75 financial reporting.
- Pension Plans - We prepare actuarial valuations and help with the administration of defined benefit pension plans for public agencies and retirement systems, along with accounting information for GASB Statement Nos. 67 and 68 financial reporting.
- CalPERS Plans - We provide CalPERS pension consulting services including stochastic contribution projections, additional contribution analyses, 115 trust studies, golden handshake costing, replacement benefit plan costing, pension obligation bond success analyses, and pension override tax estimates. We also assist with GASBS 68 reporting for CalPERS risk pool pension plans.
- Plan Design - We work with public agencies to redesign existing OPEB and pension plans and implement new retirement programs.
- Retirement System Audits - We review actuarial valuations, experience studies, actuarial assumptions, and actuarial methods for state, county, city, and district retirement plans and retirement systems.

Our focus is on California public agencies:

- We provide actuarial consulting for both OPEB plans and CalPERS pension plans and can coordinate discussions and presentations for both types of plans, including agencies' funding priorities and financial disclosure requirements.
- We have consulted with about 500 California counties, cities, special districts, and other public agencies on OPEB and CalPERS issues.
- Our staff devotes 100% of their time to public sector actuarial work.
- Our office is located in California.

You can visit our website at www.bartel-associates.com to learn more about us and access the information we post regarding California pension and OPEB plans.

Bartel Associates was established in July 2003. Our office is located in San Mateo, California. We currently have 22 employees, including 8 senior actuaries, 3 associate actuaries, 9 actuarial analysts, and 2 administrative staff members. Ten of our actuaries are Fellows or Associates of the Society of Actuaries, 11 are Members of the American Academy of Actuaries, 7 are Enrolled Actuaries, and 9 are Fellows of the Conference of Consulting Actuaries. You can visit our website at www.bartel-associates.com to learn more about us.

We have done hundreds of projects similar to those requested by the Town and have included three references for agencies for whom we have done similar projects. We recommend the Town contact our references to understand the quality of our work.

SECTION 2

FIRM PROFILE AND EXPERIENCE

Client	Project	Contact
City of Sunnyvale	OPEB Valuations GASBS 75 Accounting CalPERS Consulting 2004-2021	Timothy Kirby Director of Finance 650 W. Olive Avenue, P.O. Box 3707 Sunnyvale, CA 94088-3707 Phone: 408-730-7603 Email: tkirby@ci.sunnyvale.ca.us
City of Vallejo	OPEB Valuations GASBS 75 Accounting CalPERS Consulting 2006-2021	Florita Cruz Assistant Finance Director 555 Santa Clara Street Vallejo, CA 94590 Phone: 707-648-5542 Email: florita.cruz@cityofvallejo.net
City of Malibu	OPEB Valuations GASBS 75 Accounting CalPERS Consulting GASBS 68 Accounting 2011-2021	Lisa Soghor Assistant City Manager 23825 Stuart Ranch Road Malibu, CA 90265-4861 310-456-2489 x224 Email: lsoghor@malibucity.org

We can provide additional references at the Town's request.

SECTION 3 COST PROPOSAL

Our fees are a function of the hours worked by each professional on a project and their hourly billing rates. Our current hourly rates are as follows:

President	\$370
Vice President	300
Assistant Vice President	270
Associate Actuary	220
Senior Actuarial Analyst	200
Actuarial Analyst	160

OPEB Valuation and GASBS 75 Accounting Information Report Fees

Our fixed fees for the OPEB actuarial valuations, including draft CERBT valuation packets, one meeting with the Finance Commission, and one meeting with the Town Council, if needed, to review each valuation's results, and GASBS 75 accounting information reports within the five-year contract period starting with 2021/22 and ending with 2025/26 are as follows:

<u>Project</u>	<u>Valuation Date</u>	<u>Fiscal Year-End</u>	<u>Valuation Fee</u>	<u>Commission Meeting</u>	<u>Council Meeting</u>	<u>Work Period</u>
Actuarial Valuation	6/30/21		\$21,000	\$2,000	\$1,500	2021/22
GASBS 75 Report		6/30/22	3,500	n/a	n/a	2022/23
GASBS 75 Report		6/30/23	3,600	n/a	n/a	2023/24
Actuarial Valuation	6/30/23		22,000	2,200	1,700	2023/24
GASBS 75 Report		6/30/24	3,700	n/a	n/a	2024/25
GASBS 75 Report		6/30/25	3,800	n/a	n/a	2025/26
Actuarial Valuation	6/30/25		23,000	2,400	1,900	2025/26

Please note below what will be included in the actuarial valuation and GASBS 75 reports and what will require an additional fee. Fees might be higher, for example, if the project scope changes or the Town needs additional work.

Our fee assumes:

- Participant census data requested will be provided completely and accurately in an Excel workbook with one record per participant.
- OPEB costs and liabilities will be provided using one funding method and one set of assumptions.
- We will provide a draft of the CERBT Valuation Packets required by CalPERS. The CERBT Valuation Packet includes a Certification of Funding Policy, a Summary of Actuarial Information, and a Certification of Actuarial Information.
- We will provide GASBS 75 accounting information reports using the prior fiscal year-ends as measurement dates.
 - Our GASBS 75 estimated fees assume there will be no changes in OPEB plan provisions, healthcare plan providers, or funding policy, investment policy, or OPEB trust between the actuarial valuation date and the financial statement dates.

SECTION 3

COST PROPOSAL

- GASBS 75 information will be presented for the plan as a whole with no breakdowns by benefit or by employee group.
- Our GASBS 75 information reports will include the actuarial information needed by the Town and its auditor to assist in preparing the Town's financial statements. Our estimated fees do not include draft OPEB footnotes.
- Our GASBS 75 reports will not contain information about the number of covered employees on measurement dates that are not valuation dates or total covered employee compensation in all years if that information is not provided to us. Our estimated fees do not include an amount for reviewing census data files for fiscal years between valuation dates. If the Town would like us to do so, our fees will be higher.

Our fees may be higher if:

- Participant census data is not complete, accurate, or not provided in an Excel workbook with one record per participant.
- Results are needed separately for employee groups.
- Results are needed for alternative actuarial assumptions, funding policies, or plan designs.
- The Town makes any healthcare provider, plan provision, funding policy, investment policy, or OPEB trust changes between the actuarial valuation dates and the financial statement dates.
- The Town requests assistance with its OPEB footnotes.
- The Town requests additional meetings. Our fee for additional meetings will be based on our billing rates, the time needed for the meetings, any additional presentation material, and meeting preparation time.
- The Town makes changes that will affect the valuation results after the valuation is begun or requests additional work after the valuation is completed, including changing OPEB plan provisions, actuarial assumptions, healthcare plan options, funding policy, investment policy, OPEB trust, or any of the data provided for the valuation.
- Time for consultation and questions after delivering the actuarial valuation report or GASBS 75 accounting information reports, as applicable, will be billed as additional time, outside the budget for the projects addressed in this proposal, based on time spent and our hourly billing rates. The Town should therefore set up an appropriate budget for any additional anticipated or potential consultation needed.

CalPERS Consulting Review Fees

Our fixed fee for each CalPERS review includes a presentation outline of our study results and one meeting with the Finance Commission and one meeting with the Town Council, if needed, to review our report. Our fees for the five-year contract period starting with 2021/22 and ending with 2025/26 are as follows:

SECTION 3 COST PROPOSAL

<u>Project</u>	<u>Valuation Date</u>	<u>CalPERS Review</u>	<u>Commission Meeting</u>	<u>Council Meeting</u>	<u>Work Period</u>
CalPERS Review	6/30/20	\$9,500	\$2,000	\$1,500	2021/22
CalPERS Review	6/30/21	10,000	2,100	1,600	2022/23
CalPERS Review	6/30/22	10,500	2,200	1,700	2023/24
CalPERS Review	6/30/23	11,000	2,300	1,800	2024/25
CalPERS Review	6/30/24	11,500	2,400	1,900	2025/26

Our fees may be higher if:

- The Town needs us to prepare meeting presentation materials in addition to our reports or review its meeting materials.
- The Town requests additional meetings to review results. Our fee for additional meetings will be based on our billing rates, the time needed for the meetings, any additional presentation material, and meeting preparation time.
- Additional projection scenarios.
- Section 115 trust analyses.

CalPERS GASBS 68 Accounting Information Report Fees

Our fixed fee cost for each CalPERS GASBS 68 accounting information report includes one conference call with staff to review the report. Our fees for the five-year contract period starting with 2021/22 and ending with 2025/26 are as follows:

<u>Project</u>	<u>Fiscal Year-End</u>	<u>Fixed Fee</u>	<u>Work Period</u>
GASBS 68 Report	6/30/22	\$1,500	2022/23
GASBS 68 Report	6/30/23	1,600	2023/24
GASBS 68 Report	6/30/24	1,700	2024/25
GASBS 68 Report	6/30/25	1,800	2025/26

Fees for all projects include any report preparation, printing, and other incidental expenses involved in production and delivery.

SECTION 4

CONFLICTS OF INTEREST

Our firm and none of our employees have a conflict of interest with any activity requested in the Request for Proposal for Actuarial Services.

SECTION 5 EXCEPTIONS

We have no exceptions, alternations, or amendments to the scope of services or other requirements of the Request for Proposal for Actuarial Services.

ATTACHMENT 1 CONFLICT OF INTEREST STATEMENT

ATTACHMENT 1 - CONFLICT OF INTEREST STATEMENT

**THIS FORM MUST BE PRINTED OUT, COMPLETED AND SUBMITTED WITH THE PROPOSAL
PROFESSIONAL ACTUARIAL SERVICES**

The undersigned declares:

I/We Bartel Associates, LLC (Insert Name) have the following financial, business, or other relationship with Town of Los Gatos that may have an impact upon the outcome of the contract. If none, please specify that no other relationships may have an impact on this contract or Project.

Bartel Associates and its employees have no financial, business, or other relationship with the
Town of Los Gatos that may have an impact on the contract or project.

I/We Bartel Associates, LLC (Insert Name) have the following current clients who may have a financial interest in the outcome of this contract. If none, please specify that no other clients may have a financial interest with an impact on this contract or Project.

No clients of Bartel Associates other than the Town have a financial interest that may have an impact on the
contract or project.

Pursuant to Government Code section 1090 and any other laws, rules and regulations that may apply, the Proposer covenants that neither it, its subcontractors nor employees presently have an interest, and shall not acquire any interest, direct or indirect, financial or otherwise that would conflict in any manner or degree with contract awarded from this RFP. Proposer certifies that to the best of its knowledge, no one who has or will have any financial interest in the contract awarded from this RFP is an officer or employee of the Town. Through its submittal of a proposal, Proposer acknowledges that it is familiar with Section 87100 et seq. and Section 1090 et seq. of the Government Code of the State of California and will

ATTACHMENT 1

CONFLICT OF INTEREST STATEMENT

immediately notify the Town if it becomes aware of any facts concerning the contract to be awarded that constitute a violation of said provisions.

Furthermore, if there is reason to believe that collusion exists among the Proposers, the Town may refuse to consider proposals from participants in such collusion. No person, firm, or corporation under the same or different name, shall make, file, or be interested in more than one proposal for the same work unless alternate proposals are called for. A person, firm, or corporation who has submitted a sub-proposal to a Proposer, or who has quoted prices on materials to a Proposer, is not thereby disqualified from submitting a sub-proposal or quoting prices to other Proposers. Reasonable ground for believing that any Proposer is interested in more than one proposal for the same work will cause the rejection of all proposals for the work in which a Proposer is interested. If there is reason to believe that collusion exists among the Proposers, the Town may refuse to consider proposals from participants in such collusion. Proposers shall submit as part of their proposals documents the completed Non-Collusion Declaration provided herein.

I, on behalf of the Proposer, declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct and that this declaration is executed on October 27, 2021 [date], at San Mateo [city], California [state].

Bartel Associates, LLC

Proposer Name (Person, Firm, Corp.)

Vice President

Title of Authorized Representative

411 Borel Ave., Ste. 620

Address

Doug Pryor

Name of Authorized Representative

San Mateo, CA 94420

City, State, Zip

October 27, 2021

Date


Signed

ATTACHMENT 2 NON-COLLUSION DECLARATION

ATTACHMENT 2 – NON-COLLUSION DECLARATION

**THIS FORM MUST BE PRINTED OUT, COMPLETED AND SUBMITTED WITH THE PROPOSAL
PROFESSIONAL ACTUARIAL SERVICES**

The undersigned declares:

I am the Vice President [Insert Title] of Bartel Associates, LLC, [Insert name of company, corporation, LLC, partnership or joint venture] the party making the foregoing proposal.

The proposal is not made in the interest of, or on behalf of, any undisclosed person, partnership, company, association, organization, or corporation. The proposal is genuine and not collusive or sham. The Respondent has not directly or indirectly induced or solicited any other respondent to put in a false or sham proposal. The Respondent has not directly or indirectly colluded, conspired, connived, or agreed with any bidder or anyone else to put in a sham proposal, or to refrain from responding. All statements contained in the proposal are true.

Any person executing this declaration on behalf of a respondent that is a corporation, partnership, joint venture, limited liability company, limited liability partnership, or any other entity, hereby represents that he or she has full power to execute, and does execute, this declaration on behalf of the respondent.

ATTACHMENT 3 REFERENCES

ATTACHMENT 3 - REFERENCES

THIS FORM MUST BE PRINTED OUT, COMPLETED AND SUBMITTED WITH THE PROPOSAL

PROFESSIONAL ACTUARIAL SERVICES

List three (3) references for work of a similar nature to the Services performed within the last five (5) years.
Use additional sheets as necessary.

1.	<u>City of Sunnyvale</u>	<u>650 W. Olive Avenue, P.O. Box 3707, Sunnyvale, CA 94088-3707</u>
	<u>Name of Agency</u>	<u>Agency Address</u>
	<u>Timothy Kirby</u>	<u>Director of Finance</u>
	<u>Contact Name</u>	<u>Contact Title</u>
	<u>408-730-7603</u>	<u>tkirby@ci.sunnyvale.ca.us</u>
	<u>Contact Telephone</u>	<u>Contact Email Address</u>
	<u>2004-2021</u>	<u>n/a</u>
	<u>Contract Period</u>	<u>Contract Amount</u>

The Town can contact the reference for contract amounts

OPEB Valuations, GASBS 75 Accounting, CalPERS Consulting

Description of services performed including costs.

2.	<u>City of Vallejo</u>	<u>555 Santa Clara Street, Vallejo, CA 94590</u>
	<u>Name of Agency</u>	<u>Agency Address</u>
	<u>Florita Cruz</u>	<u>Assistant Finance Director</u>
	<u>Contact Name</u>	<u>Contact Title</u>
	<u>707-648-5542</u>	<u>florita.cruz@cityofvallejo.net</u>
	<u>Contact Telephone</u>	<u>Contact Email Address</u>
	<u>2006-2021</u>	<u>n/a</u>
	<u>Contract Period</u>	<u>Contract Amount</u>

The Town can contact the reference for contract amounts

ATTACHMENT 3 REFERENCES

OPEB Valuations, GASBS 75 Accounting, CalPERS Consulting

Description of services performed including costs.

3.	<u>City of Malibu</u> Name of Agency <u>Lisa Soghor</u> Contact Name <u>310-456-2489 x224</u> Contact Telephone <u>2011-2021</u> Contract Period	<u>23825 Stuart Ranch Road, Malibu, CA 90265-4861</u> Agency Address <u>Assistant City Manager</u> Contact Title <u>lsoghor@malibucity.org</u> Contact Email Address <u>n/a</u> Contract Amount
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The Town can contact the reference for contract amounts

OPEB Valuations, GASBS 75 Accounting, CalPERS Consulting, GASBS 68 Accounting

Description of services performed including costs.

I hereby certify that the Proposer performed the work listed above.


 Signature of Proposer

Doug Pryor
 Name

October 27, 2021
 Date

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct and that this declaration is executed on 10/27/2021 [date], at San Mateo [city], CA [state].

By:



Name: Doug Pryor

Title: Vice President

ATTACHMENT 4
STATEMENT REGARDING INSURANCE COVERAGE AND WORKER'S
COMPENSATION INSURANCE ACKNOWLEDGEMENT CERTIFICATE

ATTACHMENT 4 - STATEMENT REGARDING INSURANCE COVERAGE AND WORKER'S COMPENSATION
INSURANCE ACKNOWLEDGMENT CERTIFICATE

THIS FORM MUST BE PRINTED OUT, COMPLETED AND SUBMITTED WITH THE PROPOSAL
PROFESSIONAL ACTUARIAL SERVICES

PROPOSER HEREBY CERTIFIES that the Proposer has reviewed and understands the insurance coverage requirements specified in the RFP. Should the Proposer be awarded a contract for Services, Proposer further certifies that the Proposer can meet the specified requirements for insurance, including insurance coverage of any subcontractors, and agrees to name the Town as additional insured for the Services specified.

By certifying this form, the Proposer also understands the Worker's Compensation insurance requirement per the California Labor Code, Sections 1860 and 1861:

I am aware of the provisions of Section 3700 of the Labor Code, which require every employer to be insured against liability for worker's compensation or to undertake self-insurance in accordance with the provisions of that code, and I will comply with such provisions before commencing the performance of the work of this contract.

Bartel Associates, LLC

Name of Proposer (Person, Firm, or Corporation)



Signature of Proposer's Authorized Representative

Doug Pryor, Vice President

Name & Title of Authorized Representative

October 27, 2021

Date of Signing



**TOWN OF LOS GATOS
COUNCIL AGENDA REPORT**

MEETING DATE: 01/18/2022

ITEM NO: 6

DATE: January 11, 2022
TO: Mayor and Town Council
FROM: Laurel Prevetti, Town Manager
SUBJECT: Actuarial Services Agreement:
a. Authorize the Town Manager to Execute a Five-Year Agreement with Bartel Associates, LLC to Provide Actuarial Services for the Town of Los Gatos in Amount of \$170,400, Plus an Additional \$20,000 for Other Services as Required for a Total Agreement Amount Not to Exceed \$190,400; and,
b. Approve an Expenditure Budget Adjustment in the Amount of \$11,000 from Available Capital/Special Projects Reserve.

RECOMMENDATION:

Staff recommends that the Town Council take the following actions regarding an actuarial services agreement:

- a. Authorize the Town Manager to execute a five-year agreement with Bartel Associates, LLC to provide actuarial services for the Town of Los Gatos in amount of \$170,400, plus an additional \$20,000 for other services as required for a total agreement amount not to exceed \$190,400; and,
- b. Approve an expenditure budget adjustment in the amount of \$11,000 from available Capital/Special Projects Reserve.

BACKGROUND:

Bartel Associates, LLC has been the Town's actuarial consultant since 2007. Bartel Associates, LLC is a reputable firm with extensive knowledge performing Governmental Accounting Standards Board (GASB) studies for similar sized California cities. Over the years, Bartel Associates, LLC provided the Town additional analyses for the Town's Pension and Other Post-Employment Benefits (OPEB) Trusts Oversight Committee, on the effects of additional discretionary payments (ADPs) to the pension plan, prefunding the OPEB plan, and other items related to labor negotiations. Starting in 2018 The firm also provided an annual review of the CalPERS generated actuarial valuations for the Town's pension plans.

PREPARED BY: Stephen Conway
Finance Director

Reviewed by: Assistant Town Manager, and Town Attorney

PAGE 2 OF 2

SUBJECT: Actuarial Services Agreement

DATE: January 11, 2022

DISCUSSION:

In October 2021, the Town of Los Gatos sent a Request for Proposals (RFP) for actuarial consulting services to sixteen qualified firms known to provide actuarial services. The opportunity was also promoted on the Town's website, What's New, and other social media platforms. Three firms responded with proposals: Actuarial Retirement Consulting, Precision Actuarial Inc., and Bartel Associates, LLC.

A selection panel consisting of the Finance Commission Chair, the Finance Director, Assistant Town Manager, Finance and Budget Manager, and Finance Administrative Analyst reviewed and scored the three proposals. The firms were evaluated based on their technical expertise, qualified personnel, and responsiveness to the RFP. These qualities were weighted at seventy percent and proposed fees weighted at thirty percent. Based upon the firm's technical expertise, proposal, interview, and references, the panel selected Bartel Associates, LLC.

With this new contract, the Town will change its project lead to Vice President Mary Elizabeth Redding who has over 30 years experience in employee benefits. She is a fellow of the Society of Actuaries, member of the American Academy of Actuaries, and fellow of the Conference of Consulting Actuaries. She has assisted the California Committee on Municipal Accounting (CCMA) with the 2015 GASB 68 White Paper and its 2016 Update. The firm's current client list includes: City of Sunnyvale, City of Vallejo, and City of Malibu amongst other California cities.

The firm will provide the following services for the Town:

- Prepare actuarial valuation reports, including recommended contributions and the plan's funded status;
- Prepare roll forward GASB 75 accounting information reports and the California Employers' Retiree Benefit Trust (CERBT) actuarial information packet;
- Assist the Town in implementing new GASB requirements and pronouncements related to the Town's OPEB plan;
- Provide annual reviews of the Town's CalPERS Miscellaneous and Safety pension plans;
- Provide GASBS 68 accounting information reports for the Town's Safety risk pool plans; and
- Complete other consulting services as needed.

CONCLUSION:

Staff recommends that the Town Council take the following actions regarding an actuarial services agreement:

- a. Authorize the Town Manager to execute a five-year agreement with Bartel Associates, LLC to provide actuarial services for the Town of Los Gatos in amount of \$170,400, plus an additional \$20,000 for other services as required for a total agreement amount not to exceed \$190,400, and

PAGE 3 OF 2

SUBJECT: Actuarial Services Agreement

DATE: January 11, 2022

CONCLUSION (continued):

- b. Approve an expenditure budget adjustment in the amount of \$11,000 from available Capital/Special Project Reserve.

FISCAL IMPACT:

The expected expenditure for the first year of the contract is \$37,500 of which \$26,500 is available in the Adopted Operating Budget for Fiscal Year 2021/22. An additional \$11,000 is needed to fund the needed services for the first year, requiring the recommended budget adjustment. The Capital/Special Project Reserve has funds available for the proposed expenditure budget adjustment in the amount of \$11,000. Budgeting for future years services will be addressed through the annual budget process.

ENVIRONMENTAL ASSESSMENT:

This is not a project defined under CEQA, and no further action is required.

Attachment:

1. Agreement to provide actuarial and optional services with Bartel Associates, LLC.