



**TOWN OF LOS GATOS  
COUNCIL FINANCE COMMITTEE  
REPORT**

MEETING DATE: 10/14/2019

ITEM NO: 3

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DATE: October 9, 2019  
TO: Council Finance Committee  
FROM: Laurel Prevetti, Town Manager  
SUBJECT: Receive Bartel Associates, LLC OPEB Accounting Information Report as of the June 30, 2018 Measurement Date

**RECOMMENDATION:**

Receive Bartel OPEB Accounting Information Reports as of the June 30, 2018 measurement date.

**REMARKS:**

Staff has received Accounting Information Report from the Town's actuary, Bartel and Associates. The measurement date as set forth by GASB 75 is as of June 30, 2018. The report utilizes the June 30, 2017 OPEB actuarial valuation with a 6.75% discount rate which is updated and rolled forward to serve as the valuation for the June 30, 2018 measurement date.

The total OPEB liability increased from \$24.8 million to \$26.3 million as of June 30, 2018. However, the unfunded OPEB liability decreased from approximately \$11.2 million as of June 30, 2017 to \$10.1 M as of the June 30, 2018 as a result of an increase in the Fiduciary Net Position from the prior year. The result is an increase in the funded status for the OPEB plan as of June 30, 2018 to 61.8%. The 61.8% funding level brings the Town in the top 20% of funded plans based on a recent survey by Bartel and Associates with the average of the survey being 24% funded. A similar survey of 88 California cities completed by the Town's auditor, Badawi and Associates indicated an average funded status of approximately 22% for their OPEB plans.

**PREPARED BY:** Stephen Conway  
Finance Director

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Reviewed by: Town Manager and Assistant Town Manager

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SUBJECT: Bartel Associates, LLC OPEB Accounting Information Report as of June 30, 2018

DATE: October 9, 2019

	June 30, 2018	June 30, 2019
Total OPEB Liability	\$24,773,000	\$26,321,184
Fiduciary Net Position	13,608,000	16,265,716
Net OPEB Liability	11,165,000	10,055,468
Funded Status	54.9%	61.8%

It should be noted that the elimination of retiree healthcare benefits prospectively for future employees does not impact the 6/30/17 valuation or the 6/30/19 disclosure. In addition, the pre-funding payment of approximately \$1,100,000 made in FY 2018/19 will be reflected in next years valuation.

Attachment:

1. Bartel Associates, LLC OPEB Accounting Information Report as of June 30, 2018  
Measurement Date