



**TOWN OF LOS GATOS  
COUNCIL AGENDA REPORT**

MEETING DATE: 01/18/2022

ITEM NO: 6

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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

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Reviewed by: Assistant Town Manager, and Town Attorney

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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

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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.