



Legislation Details (With Text)

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Title: Approve and authorize execution of a Professional Services Contract with Bartel Associates, LLC in the Amount of \$122,200 to perform Actuary Consulting Services

Attachments: 1. Att#1 Bartel Contract, 2. Att#2 Certificate of Insurance, 3. Att#3 Rating Sheets

Date	Ver.	Action By	Action	Result
5/20/2019	2	City Council/Public Financing Authority	approved	Pass

REQUEST FOR CITY COUNCIL ACTION

SUBMITTED TO: Honorable Mayor and City Council Members

SUBMITTED BY: Lori Ann Farrell Harrison, Interim City Manager

PREPARED BY: Gilbert Garcia, Chief Financial Officer

Subject:

Approve and authorize execution of a Professional Services Contract with Bartel Associates, LLC in the Amount of \$122,200 to perform Actuary Consulting Services

Statement of Issue:

City Council approval is requested to approve and authorize a professional services contract with Bartel Associates, LLC in the amount of \$122,200 over a three-year period, to perform actuary services for the City's Supplemental Retirement and Retiree Medical Plans and to perform additional as needed actuarial services.

Financial Impact:

The total cost of the contract is \$122,200. The first year cost of the contract is \$5,000. Sufficient appropriation, \$5,000 in account 10040101.69300, is available in FY 2018/19 for year one of the contract. The remaining term of the contract will be budgeted accordingly in the following business units: 70235202, 70335203, and 10040101.

The table below is a breakdown of the annual costs.

Account	FY18/19	FY19/20	FY20/21	FY21/22	Total
70235202.69365	\$0	\$24,700	\$4,600	\$26,000	\$55,300
70335203.69365	\$0	\$15,700	\$4,600	\$16,600	\$36,900
10040101.69300	\$5,000	\$10,000	\$10,000	\$5,000	\$30,000
Total	\$5,000	\$50,400	\$19,200	\$47,600	\$122,200

Recommended Action:

Approve and authorize the Mayor and City Clerk to execute the "Professional Service Contract Between the City of Huntington Beach and Bartel Associates, LLC for Actuary Consulting Services."

Alternative Action(s):

Do not approve the recommendation and direct staff accordingly.

Analysis:

The City of Huntington Beach has two plans which requires actuarial reporting, the City's Supplemental Retirement and Retiree Medical Plans. Under Governmental Accounting Standards Board (GASB) Statements 67 and 68 for the Supplemental Retirement plan and GASB Statement 75 for the Retiree Medical plan.

The City of Huntington Beach is required to obtain an independent actuarial report from an outside consultant. The actuary reports are necessary to prepare the City's Comprehensive Annual Financial Report and to achieve a clean (or unmodified) opinion from the City's Independent Auditors.

Staff sent out a Request for Proposals (RFP) for actuary service for the City's Supplemental Retirement and Retiree Medical Plans to prospective actuaries who had requested to be on a bidders' list or were listed on the California Society of Municipal Finance Officers' website. In addition, the RFP was posted on PlanetBids which can be accessed through the City's website. Two proposals were received. The actuary firms were asked to submit cost proposals for three years of actuarial services for the City's Supplemental Retirement and Retiree Medical Plans. The City also requested hourly rates for as needed actuarial services to perform analysis for the Supplemental Retirement, Retiree Medical and CalPERS Retirement plans.

The not to exceed cost proposals for the Supplemental Retirement and Retiree Medical plans were as follows (excludes as needed actuarial services):

Name	3 Year Cost
Bartel Associates, LLC	\$92,200
The Howard E. Nyhart Company, Inc.	\$70,600

Staff analyzed and reviewed both proposals based on a variety of factors including the firm's references, responsiveness to the RFP, qualifications, relevant experience, and resumes of key staff to be assigned on the engagement. Staff is recommending Bartel Associates to perform actuary services for the City of Huntington Beach based on their relevant experience, qualifications and references, as well as the other factors.

As needed actuarial services are a necessary component to the contract. These services ensure that the City can properly analyze future changes to the City's Supplemental Retirement, Retiree Medical, and CalPERS plans' unfunded liabilities amidst future changes in discount rates, actuarial assumptions, and market fluctuations. \$30,000 was added to Bartel Associates' not to exceed cost to address this need for a total not to exceed amount of \$122,200 for the three-year contract.

Environmental Status:

Not applicable.

Strategic Plan Goal:

Strengthen long-term financial and economic sustainability

Attachment(s):

1. Professional Services Contract Between The City of Huntington Beach And Bartel Associates, LLC For Actuary Consulting Services
2. Certificate of Insurance
3. Rating Sheets