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Alameda Corridor Transportation Authority

March 14, 2019

To:	Governing Board
From:	James P. Preusch, Chief Financial Officer
Subject:	<i>Amendment No. 8 to Agreement No. C0788 with Bartel Associates, LLC for Actuary Services (APPROVAL)</i>

Recommendation:

Approve the proposed amendment to Agreement No. C0788 with Bartel Associates, LLC (Bartel) for actuary services extending the term through December 31, 2019 and authorize the Chief Executive Officer or Chief Financial Officer to execute said amendment.

Discussion:

At its October 2007 meeting, the Board approved ACTA's participation in the Prefunding Plan administered by the CalPERS Board of Administration for Other Post Employment Benefits (OPEB). The Board also approved making an initial deposit and future annual deposits as necessary to meet continuing obligations.

The Government Accounting Standards Board (GASB) requires governmental entities to calculate the liability associated with certain retirement benefits to past and present employees. The present value of the obligation must be determined by a licensed actuary, and requires a periodic update (biannual) of the actuarial valuation and determination of an annual payment amount made to the CalPERS OPEB account. Bartel provides services required by GASB 68 including preparation of the draft report. The information is required in order to complete ACTA's annual audit report.

In July 2007, Agreement No. C0788 was entered into with Bartel Associates LLP for the required valuations. Since the date of the original Agreement, changes in Accounting Standards and the implementation of GASB 75, replacing GASB 45, require most public entities to obtain a biannual actuarial valuation. With the substantial growth of business, Bartel Associates, LLP became an LLC.

The cost of Bartel's actuarial valuations and GASBs 68 and 75 draft reports preparation has been nominal (currently averaging about \$13,000 annually). The service provided by Bartel has been timely and accurate.



The current Agreement expires June 30, 2019. To complete necessary work related to FY19 that is required for ACTA's financial reporting, it is requested that the Board approve the amendment to the Agreement extending the term through December 31, 2019. The contract has sufficient contract value to complete the remainder of these services for FY19. It is anticipated that a new selection process will be undertaken during the proposed term extension and staff will return to the Board for approval of a new agreement within that time frame.

Background:

After a 2007 competitive selection process, Bartel was selected to provide the required GASB 45 actuarial valuations. Agreement No. 788 commenced July 1, 2007 for a term of one year through June 30, 2008 in the amount of \$14,500 with an option to extend an additional two years. Board approval of the agreement was not required in 2007 because the contract amount was within the contracting authority of the Chief Executive Officer, in that the contract was less than the delegated authority amount of \$50,000. Two subsequent amendments extended the term through June 30, 2010 increasing the contract value to \$25,000.

At its August 2009 meeting, the Board approved a six-year extension through June 30, 2016 and a \$50,000 increase in contract value from \$25,000 to \$75,000. At its June 2016 meeting, the Board approved a two-year extension through June 30, 2018 and a \$20,000 increase in contract value to \$95,000. At its June 2018 meeting, the Board approved a one-year extension through June 30, 2019 that resulted in an increase of \$10,000.

In October 2007, the Board approved an appropriation for OPEB payments to CalPERS of \$448,000, comprised of \$392,000 for past liabilities and \$56,000 for the FY08. Since that time, the Board has also authorized staff to make future annual deposits to meet the continuing obligations. Subsequent deposits were: \$82,600 for FY09; \$70,000 for FY10; \$69,000 for FY11; \$77,000 for FY12; \$79,000 for FY13; \$106,000 for FY14; \$110,000 for FY15; \$78,000 for FY16; \$80,000 for FY17, \$80,000 for FY18, and \$51,500 for FY19.

Budget Impact:

This amendment has no budget impact for the FY19 or FY20 Program Budgets.

Co-General Counsel Review:

ACTA's Co-General Counsel has reviewed and approved the proposed Amendment as to form.

Transmittal:

Transmittal 1 - Eighth Amendment to Agreement C0788