

REPORT TO CITY COUNCIL

DATE: FEBRUARY 23, 2022

TO: HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL

FROM: NATHAN HAMBURGER, CITY MANAGER

BY: CHRISTY TRUELSEN, DIRECTOR OF FINANCE

SUBJECT: APPROVE AGREEMENT FOR CONSULTANT SERVICES WITH BARTEL ASSOCIATES, LLC FOR ACTUARIAL SERVICES TO VALUE OTHER POST-EMPLOYMENT BENEFITS (OPEB) IN COMPLIANCE WITH GOVERNMENTAL ACCOUNTING STANDARDS BOARD STATEMENT NO. 75 (GASB 75) AND ACTUARIAL INFORMATION FOR CALPERS COST-SHARING (RISK POOL) PLANS (GASB 68)

The purpose of this item is to seek City Council approval for the City to enter into a consultant services agreement with Bartel Associates, LLC, to provide actuarial services to the City. Due to the global pandemic, and the limitations for prospective contractors to visit city facilities and servers, staff is not recommending going out to bid for these services. The City's purchasing policy allows for the City Council to award a contract for professional services without seeking a formal or informal bid.

Bartel Associates, LLC has been providing actuarial services to the City since 2017. The prior contract expired on March 15, 2020. GASB 75 requires that an actuarial valuation be performed at least every two years to recognize and measure liabilities, deferred outflows of resources, deferred inflows of resources and expenditures. Additionally, Bartel Associates, LLC will review ways to fund the retirement plan, that can minimize our unfunded liability.

The City's service has been reliable and Bartel staff has provided considerable expertise in maintaining compliance with the Governmental Accounting Standards Board for actuarial services. Staff has been pleased with the work performed by Bartel Associates, LLC in the past and is confident that the firm will continue to provide high quality services.

The proposed fees, as shown in Exhibit B, are \$38,700.

The proposed agreement has been reviewed by the City Attorney and approved as to form.

RECOMMENDATION

Staff recommends the City Council approve the Agreement for Consultant Services with Bartel Associates LLC for actuarial services.

Attachment: Agreement

AGREEMENT FOR CONSULTANT SERVICES
WITH THE CITY OF AGOURA HILLS

NAME OF CONSULTANT: Bartel Associates, LLC
RESPONSIBLE PRINCIPAL OF CONSULTANT: Attn: Joseph D'Onofrio
CONSULTANT'S ADDRESS: 411 Borel Avenue, Suite 620
San Mateo, CA 94402
CITY'S ADDRESS: City of Agoura Hills
30001 Ladyface Court
Agoura Hills, CA 91301
Attn: City Manager
PREPARED BY: Christy Truelsen
COMMENCEMENT DATE: 02/23/2022
TERMINATION DATE: 12/31/2023
CONSIDERATION: Contract Price
Not to Exceed: \$ 38,700 /yr

ADDITIONAL SERVICES <i>(Describe Services, Amount, and Approval):</i> <hr/> <hr/> <hr/> <hr/> <hr/>

Date: _____ Amount: \$ _____ Authorized By: _____
(Not to Exceed 10% of Contract Price) City Manager

**AGREEMENT FOR CONSULTANT SERVICES BETWEEN
THE CITY OF AGOURA HILLS AND BARTEL
ASSOCATES, LLP**

THIS AGREEMENT is made and effective as of February 23, 2022, between the City of Agoura Hills, a municipal corporation ("City") and Bartel Associates, LLP ("Consultant"). In consideration of the mutual covenants and conditions set forth herein, the parties agree as follows:

1. TERM

This Agreement shall commence on February 23, 2022 , and shall remain and continue in effect until tasks described herein are completed, but in no event later than December 31, 2023, unless sooner terminated pursuant to the provisions of this Agreement.

The City may, at its option, extend this Agreement for one additional term of three years upon providing written notice of its intent to extend this Agreement to the consultant not less than thirty (30) days prior to the expiration of the initial Term. Such extension shall be at the same price and conditions as set forth herein.

2. SERVICES

Consultant shall perform the services and tasks described and set forth in Exhibit A, attached hereto and incorporated herein as though set forth in full. Consultant shall complete the tasks according to the schedule of performance which is also set forth in Exhibit A.

3. PERFORMANCE

In meeting its obligations under this Agreement, Consultant shall at all times faithfully and competently perform all tasks described herein in a manner satisfactory to CITY and consistent with that level of care and skill ordinarily exercised by members of the profession currently practicing in the same locality under similar conditions.

4. PAYMENT

A. The City agrees to pay Consultant monthly, in accordance with the payment rates and terms and the schedule of payment as set forth in Exhibit B, Payment Rates and Schedule, attached hereto and incorporated herein by this reference as though set forth in full, based upon actual time spent on the above tasks. Any terms in Exhibit B other than the payment rates and schedule of payment are null and void. This amount shall not exceed (\$ 38,700) Thirty-Eight Thousand Seven Hundred Dollars and Zero Cents ("Contract Price") for the initial Term of the Agreement unless additional payment is approved as provided in this Agreement.

The City Manager may approve additional work up to ten percent (10%) of the amount of the Agreement. Any additional work in excess of this amount shall be approved by the City Council.

B. Consultant shall not be compensated for any services rendered in connection with its performance of this Agreement which are in addition to those set forth herein, unless such additional services are authorized in advance and in writing by the City Manager. Consultant shall be compensated for any additional services in the amounts and in the manner as agreed to by the City Council and Consultant at the time City's written authorization is given to Consultant for the performance of said services.

C. Consultant shall submit invoices monthly for actual services performed. Invoices shall be submitted between the first and fifteenth business day of each month, for services provided in the previous month. Payment shall be made within thirty (30) days of receipt of each invoice as to all non-disputed fees. If the City disputes any of Consultant's fees, it shall give written notice to Consultant within thirty (30) days of receipt of an invoice of any disputed fees set forth on the invoice. For all reimbursements authorized by this Agreement, Consultant shall provide receipts on all reimbursable expenses in excess of Fifty Dollars (\$50) in such form as approved by the Director of Finance.

5. SUSPENSION OR TERMINATION OF AGREEMENT WITHOUT CAUSE

A. The City may at any time, for any reason, with or without cause, suspend or terminate this Agreement, or any portion hereof, by serving upon the Consultant at least ten (10) days prior written notice. Upon receipt of said notice, the Consultant shall immediately cease all work under this Agreement, unless the notice provides otherwise. If the City suspends or terminates a portion of this Agreement, such suspension or termination shall not make void or invalidate the remainder of this Agreement.

B. In the event this Agreement is terminated pursuant to this Section, the City shall pay to Consultant the actual value of the work performed up to the time of termination, provided that the work performed is of value to the City. Upon termination of the Agreement pursuant to this Section, the Consultant will submit an invoice to the City pursuant to Section entitled "**PAYMENT**" herein.

6. DEFAULT OF CONSULTANT

A. The Consultant's failure to comply with the provisions of this Agreement shall constitute a default. In the event that Consultant is in default for cause under the terms of this Agreement, City shall have no obligation or duty to continue compensating Consultant for any work performed after the date of default and can terminate this Agreement immediately by written notice to the Consultant. If such failure by the Consultant to make progress in the performance of work hereunder arises out of causes beyond the Consultant's control, and without fault or negligence of the Consultant, it shall not be considered a default.

B. If the City Manager or his delegate determines that the Consultant is in default in the performance of any of the terms or conditions of this Agreement, it shall serve the Consultant with written notice of the default. The Consultant shall have ten (10) days after service upon it of said notice in which to cure the default by rendering a satisfactory performance. In the event that the Consultant fails to cure its default within

such period of time, the City shall have the right, notwithstanding any other provision of this Agreement, to terminate this Agreement without further notice and without prejudice to any other remedy to which it may be entitled at law, in equity or under this Agreement.”

7. OWNERSHIP OF DOCUMENTS

A. Consultant shall maintain complete and accurate records with respect to sales, costs, expenses, receipts and other such information required by City that relate to the performance of services under this Agreement. Consultant shall maintain adequate records of services provided in sufficient detail to permit an evaluation of services. All such records shall be maintained in accordance with generally accepted accounting principles and shall be clearly identified and readily accessible. Consultant shall provide free access to the representatives of City or its designees at reasonable times to such books and records, shall give City the right to examine and audit said books and records, shall permit City to make transcripts therefrom as necessary, and shall allow inspection of all work, data, documents, proceedings and activities related to this Agreement. Such records, together with supporting documents, shall be maintained for a period of three (3) years after receipt of final payment.

B. Upon completion of, or in the event of termination or suspension of this Agreement, all original documents, designs, drawings, maps, models, computer files containing data generated for the work, surveys, notes, and other documents prepared in the course of providing the services to be performed pursuant to this Agreement shall become the sole property of the City and may be used, reused or otherwise disposed of by the City without the permission of the Consultant. All data, reports, and computer files provided by the City to the Consultant and all data, reports, and computer files provided by the Consultant to the City relating to the projects addressed in this agreement are the property of the City. This excludes Consultant’s leased software and propriety programs used during the course of the projects and Consultant’s internal files. With respect to computer files containing data generated for the work, Consultant shall make available to the City, upon reasonable written request by the City, the necessary computer software and hardware for purposes of accessing, compiling, transferring and printing computer files.

8. INDEMNIFICATION

Consultant shall defend, indemnify, and hold the City, its officials, officers, employees, agents and independent consultants serving in the role of City officials, and volunteers (collectively “Indemnitees”) free and harmless from any and all claims, demands, causes of action, proceedings, costs, expenses, liabilities, losses, damages or injuries, in law or equity, to property or persons, including wrongful death (collectively “Claims”), in any manner arising out of or incident to any acts or omissions of Consultant, its officials, officers, employees, agents or sub-consultants in connection with the performance of this Agreement, including without limitation the payment of all consequential damages, attorneys’ fees, and other related costs and expenses, except for such Claims arising out of the sole negligence or willful misconduct of the Indemnitees. With respect to any and all such Claims, Consultant shall defend Indemnitees at Consultant’s own cost, expense, and risk and shall pay and satisfy any judgment, award, or decree that may be rendered against Indemnitees. Consultant shall reimburse

Indemnitees for any and all legal expenses and costs incurred by each of them in connection therewith or in enforcing the indemnity herein provided. Consultant's obligation to indemnify shall not be restricted to insurance proceeds, if any, received by Consultant or Indemnitees. All duties of Consultant under this Section shall survive termination of this Agreement.

9. INSURANCE REQUIREMENTS

Prior to commencement of work, Consultant shall procure, provide, and maintain, at Consultant's own expense, for the duration of this Agreement, insurance against claims for injuries to persons or damages to property, which may arise from or in connection with the performance of the work hereunder by the Consultant, its agents, representatives, or employees.

A. Minimum Scope of Insurance. Coverage shall be at least as broad as:

1) Insurance Services Office Commercial General Liability form No. CG 00 01 11 85 or 88, or equivalent.

2) Insurance Services Office Business Auto Coverage form CA 00 01 06 92, or equivalent, covering Automobile Liability, code 1 (any auto). If the Consultant owns no automobiles, a non-owned auto endorsement to the General Liability policy described above is acceptable.

3) Worker's Compensation insurance as required by the State of California and Employer's Liability Insurance. If the Consultant has no employees while performing under this Agreement, worker's compensation insurance is not required, but Consultant shall execute a declaration that it has no employees.

4) Professional Liability Insurance shall be written on a policy form providing professional liability for the Consultant's profession.

B. Minimum Limits of Insurance. Consultant shall maintain limits no less than:

1) General Liability: \$1,000,000 per occurrence for bodily injury, personal injury and property damage, including without limitation, blanket contractual liability. If Commercial General Liability Insurance or other form with a general aggregate limit is used, either the general aggregate limit shall apply separately to this project/location or the general aggregate limit shall be twice the required occurrence limit.

2) Automobile Liability: \$1,000,000 per accident for bodily injury and property damage for all activities of the Consultant arising out of or in connection with work to be performed under this Agreement, including coverage for any owned, hired, non-owned or rental vehicles.

3) Worker's Compensation as required by the State of California; Employer's Liability: One million dollars (\$1,000,000) per accident for bodily injury or disease.

4) Professional Liability coverage: One million (\$1,000,000) per claim and in aggregate

C. Deductibles and Self-Insured Retentions. Any deductibles or self-insured retentions must be declared to and approved by the City Manager. At the option of the City Manager, either the insurer shall reduce or eliminate such deductibles or self-insured retentions as respects the City, its officers, officials, employees and volunteers; or the Consultant shall procure a bond guaranteeing payment of losses and related investigations, claim administration and defense expenses.

D. Requirements Not Limiting. Requirements of specific coverage features or limits contained in this Section are not intended as a limitation on coverage, limits or other requirements, or a waiver of any coverage normally provided by any insurance. Specific reference to a given coverage feature is for purposes of clarification only as it pertains to a given issue and is not intended by any party or insured to be all inclusive, or to the exclusion of other coverage, or a waiver of any type. If the Vendor maintains higher limits than the minimums shown above, the Agency requires and shall be entitled to coverage for the higher limits maintained by the Vendor. Any available insurance proceeds in excess of the specified minimum limits of insurance and coverage shall be available to the Agency.

E. Other Insurance Provisions. The general liability and automobile liability policies are to contain, or be endorsed to contain, the following provisions:

1) The City, its officers, officials, employees and volunteers are to be covered and named as additional insureds in respect to: liability arising out of activities performed by or on behalf of the Consultant; products and completed operations of the Consultant; premises owned, occupied or used by the Consultant; or automobiles owned, leased, hired or borrowed by the Consultant. The coverage shall contain no special limitations on the scope of protection afforded to the City, its officers, officials, employees or volunteers.

2) For any claims related to this project, the Consultant's insurance coverage shall be primary insurance as respects the City, its officers, officials, employees and volunteers. Any insurance or self-insured maintained by the City, its officers, officials, employees or volunteers shall be excess of the Consultant's insurance and shall not contribute with it.

3) Any failure to comply with reporting or other provisions of the policies including breaches of warranties shall not affect coverage provided to the City, its officers, officials, employees or volunteers.

4) The Consultant's insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability.

5) Each insurance policy required by this clause shall be endorsed to state that coverage shall not be suspended, voided, canceled by either party,

reduced in coverage or in limits except after thirty (30) days' prior written notice has been given to the City. Consultant agrees to oblige its insurance agent or broker and insurers to provide City with a thirty (30) day notice of cancellation (except for nonpayment for which a ten (10) day notice is required) or nonrenewal of coverage for each required coverage.

F. Acceptability of Insurers. Insurance is to be placed with insurers with a current A.M. Best's rating of no less than A:VII, unless otherwise acceptable to the City. Self insurance shall not be considered to comply with these insurance requirements.

G. Verification of Coverage. **Consultant shall furnish the City with original endorsements, specifically naming the City of Agoura Hills, its officers, officials, employees and volunteers as additional insured, effecting coverage required by this clause.** The endorsements are to be signed by a person authorized by that insurer to bind coverage on its behalf. The endorsements are to be on forms acceptable to the City. Insurance certificates and endorsements must be received and approved by City's Risk Manager prior to commencement of performance. Current insurance certificates and endorsements shall be kept on file with the City at all times during the term of this agreement. City reserves the right to require complete, certified copies of all required insurance policies, at any time.

H. Mailing Instructions. Insurance documents shall be mailed with the signed Agreement to the attention of the staff person indicated on the cover sheet of this Agreement, to the City of Agoura Hills, 30001 Ladyface Court, Agoura Hills, CA 91301. Executed Agreement(s) cannot be released nor may any work commence on a project until the signed Agreement and appropriate insurance documents are on file with the City Clerk.

10. INDEPENDENT CONSULTANT

A. Consultant is and shall at all times remain as to the City a wholly independent Consultant. The personnel performing the services and tasks under this Agreement on behalf of Consultant shall not be City employees and shall at all times be under Consultant's exclusive direction and control. Consultant and all of Consultant's personnel shall possess the qualifications, permits, and licenses required by state and local law to perform the services and tasks under this Agreement, including, without limitation, a City business license as required by the Agoura Hills Municipal Code. Consultant shall determine the means, methods, and details by which Consultant's personnel will perform the services and tasks. Consultant shall be solely responsible for the satisfactory work performance of all personnel engaged in performing the services and tasks, and compliance with the customary professional standards. Neither City nor any of its officers, employees, agents, or volunteers shall have control over the conduct of Consultant or any of Consultant's officers, employees, or agents.

B. Consultant shall not at any time or in any manner represent that it or any of its officers, employees, or agents are in any manner officers, employees, or agents of City. Consultant and Consultant's personnel shall not supervise any of City's employees; and City's employees shall not supervise Consultant's personnel. Consultant's personnel shall not wear or display any City uniform, badge, identification number, or other

information identifying such individual as a City employee; and Consultant's personnel shall not use any City e-mail address or City telephone number in the performance of any of the services and tasks under this Agreement. Consultant shall acquire and maintain at its sole cost and expense such vehicles, equipment, and supplies as Consultant's personnel require to perform any of the services and tasks required by this Agreement. Consultant shall perform all services and tasks off of City premises at locations of Consultant's choice, except as otherwise may from time to time be necessary in order for Consultant's personnel to receive projects from City, review plans on file at City, pick up or deliver any work product related to Consultant's performance of any services and tasks under this Agreement, or as may be necessary to inspect or visit City locations and/or private property to perform the services and tasks. City may make a computer available to Consultant from time to time for Consultant's personnel to obtain information about, or to check on, the status of projects pertaining to the services and tasks performed under this Agreement. Consultant shall not incur or have the power to incur any debt, obligation or liability whatever against City, or bind City in any manner.

C. No employee benefits shall be available to Consultant in connection with the performance of this Agreement. Except for the fees paid to Consultant as provided in the Agreement, City shall not pay salaries, wages, or other compensation to Consultant for performing services and tasks hereunder for City. City shall not be liable for compensation or indemnification to Consultant for injury or sickness arising out of performing services and tasks hereunder. Consultant shall be responsible for and pay all salaries, wages, benefits and other amounts due to Consultant's personnel in connection with their performance of the services and tasks under this Agreement, and as required by law. Consultant shall be responsible for all reports and obligations respecting such additional personnel, including, but not limited to, Social Security taxes, other retirement or pension benefits, income tax withholding, unemployment insurance, disability insurance, and workers' compensation insurance. Notwithstanding any other agency, state, or federal policy, rule, regulation, statute, or ordinance to the contrary, Consultant and any of its officers, employees, agents, and subcontractors providing any of the services and tasks under this Agreement shall not become entitled to, and hereby waive any claims to, any wages, salaries, compensation, benefit, or any incident of employment by City, including, but not limited to, eligibility to enroll in, or reinstate to membership in, the California Public Employees Retirement System ("PERS") as a City employee, and entitlement to any contribution to be paid by City for employer contributions or employee contributions for PERS benefits.

D. Consultant shall indemnify and hold harmless City and its elected officials, officers, employees, servants, designated volunteers, and agents serving as independent contractors in the role of City officials, from any and all liability, damages, claims, costs, and expenses of any nature to the extent arising from, caused by, or relating to Consultant's personnel practices, or to the extent arising from, caused by, or relating to the violation of any of the provisions of this Section. In addition to all other remedies available under law, City shall have the right to offset against the amount of any fees due to Consultant under this Agreement any amount due to City from Consultant as a result of Consultant's failure to promptly pay to City any reimbursement or indemnification arising under this Section. This duty of indemnification is in addition to Consultant's duty to defend, indemnify, and hold harmless as set forth in any other provision of this Agreement.

11. PERS COMPLIANCE AND INDEMNIFICATION

A. General Requirements. The parties acknowledge that City is a local agency member of PERS, and as such has certain pension reporting and contribution obligations to PERS on behalf of qualifying employees. Consultant agrees that, in providing its employees and any other personnel to City to perform the services and tasks under this Agreement, Consultant shall assure compliance with the Public Employees' Retirement Law, commencing at Government Code Section 20000, the regulations of PERS, and the Public Employees' Pension Reform Act of 2013, as amended. Without limitation to the foregoing, Consultant shall assure compliance with regard to personnel who have active or inactive membership in PERS and to those who are retired annuitants and in performing this Agreement shall not assign or utilize any of its personnel in a manner that will cause City to be in violation of the applicable retirement laws and regulations.

B. Indemnification. Consultant shall defend (with legal counsel approved by City, whose approval shall not be unreasonably withheld), indemnify, and hold harmless City, and its City and its elected officials, officers, employees, servants, designated volunteers, and agents serving as independent contractors in the role of City officials, from any and all liability, damages, claims, costs and expenses of any nature to the extent arising from, caused by, or relating to Consultant's violation of any provisions of this Section. This duty of indemnification is in addition to Consultant's duty to defend, indemnify, and hold harmless as set forth in any other provision of this Agreement.

12. LEGAL RESPONSIBILITIES

The Consultant shall keep itself informed of all local, State and Federal ordinances, laws and regulations which in any manner affect those employed by it or in any way affect the performance of its service pursuant to this Agreement. The Consultant shall at all times observe and comply with all such ordinances, laws and regulations. The City, and its officers and employees, shall not be liable at law or in equity occasioned by failure of the Consultant to comply with this section.

13. RELEASE OF INFORMATION

A. All information gained by Consultant in performance of this Agreement shall be considered confidential and shall not be released by Consultant without City's prior written authorization. Consultant, its officers, employees, agents or sub-consultants, shall not without written authorization from the City Manager or unless requested by the City Attorney, voluntarily provide declarations, letters of support, testimony at depositions, response to interrogatories or other information concerning the work performed under this Agreement or relating to any project or property located within the City. Response to a subpoena or court order shall not be considered "voluntary" provided Consultant gives City notice of such court order or subpoena.

B. Consultant shall promptly notify City should Consultant, its officers, employees, agents or sub-consultants be served with any summons, complaint, subpoena, notice of deposition, request for documents, interrogatories, request for admissions or other discovery request, court order or subpoena from any party regarding

this Agreement and the work performed there under or with respect to any project or property located within the City. City retains the right, but has no obligation, to represent Consultant and/or be present at any deposition, hearing or similar proceeding. Consultant agrees to cooperate fully with City and to provide City with the opportunity to review any response to discovery requests provided by Consultant. However, City's right to review any such response does not imply or mean the right by City to control, direct, or rewrite said response.

14. NOTICES

Any notices which either party may desire to give to the other party under this Agreement must be in writing and may be given either by: (i) personal service, (ii) delivery by a reputable document delivery service, such as but not limited to, Federal Express, that provides a receipt showing date and time of delivery, or (iii) mailing in the United States Mail, certified mail, postage prepaid, return receipt requested, addressed to the address of the party as set forth below or at any other address as that party may later designate by Notice. Notice shall be effective upon delivery to the addresses specified below or on the third business day following deposit with the document delivery service or United States Mail as provided above.

To City: City of Agoura Hills
30001 Ladyface Court
Agoura Hills, California 91301
Attention: City Manager

To Consultant: Bartel Associates, LLC
411 Borel Avenue, Suite 620
San Mateo, CA 94402
Attention: Joseph D'Onofrio

15. ASSIGNMENT

The Consultant shall not assign the performance of this Agreement, nor any part thereof, nor any monies due hereunder, without prior written consent of the City. Upon termination of this Agreement, Consultant's sole compensation shall be payment for actual services performed up to, and including, the date of termination or as may be otherwise agreed to in writing between the City Council and the Consultant.

16. LICENSES

At all times during the term of this Agreement, Consultant shall have in full force and effect, all licenses required of it by law for the performance of the services described in this Agreement.

17. GOVERNING LAW

The City and Consultant understand and agree that the laws of the State of California shall govern the rights, obligations, duties and liabilities of the parties to this Agreement and also govern the interpretation of this Agreement. Any litigation

concerning this Agreement shall take place in the municipal, superior, or federal district court with geographic jurisdiction over the City of Agoura Hills. In the event such litigation is filed by one party against the other to enforce its rights under this Agreement, the prevailing party, as determined by the Court's judgment, shall be entitled to reasonable attorney fees and litigation expenses for the relief granted.

18. PROHIBITED INTEREST

No officer, or employee of the City of Agoura Hills shall have any financial interest, direct or indirect, in this Agreement, the proceeds thereof, the Consultant, or Consultant's sub-consultants for this project, during his/her tenure or for one year thereafter. The Consultant hereby warrants and represents to the City that no officer or employee of the City of Agoura Hills has any interest, whether contractual, non-contractual, financial or otherwise, in this transaction, or in the business of the Consultant or Consultant's sub-consultants on this project. Consultant further agrees to notify the City in the event any such interest is discovered whether or not such interest is prohibited by law or this Agreement.

19. EXHIBITS

Exhibits A and B constitute a part of this Agreement and are incorporated into this Agreement by this reference. If any inconsistency exists or arises between a provision of this Agreement and a provision of any exhibit, the provisions of this Agreement shall control.

20. ENTIRE AGREEMENT

This Agreement contains the entire understanding between the parties relating to the obligations of the parties described in this Agreement. All prior or contemporaneous agreements, understandings, representations and statements, oral or written, are merged into this Agreement and shall be of no further force or effect. Each party is entering into this Agreement based solely upon the representations set forth herein and upon each party's own independent investigation of any and all facts such party deems material.

21. AMENDMENT OF AGREEMENT

This Agreement may be amended only by a writing signed by both parties. The City Manager is authorized to sign an amendment to this Agreement on the City Council's behalf and without the City Council's prior approval to make the following non-substantive modifications to the Agreement: (a) name changes; (b) extensions of time that do not result in monetary changes; (c) non-monetary changes in the scope of work; and (d) termination of the Agreement.

22. AUTHORITY TO EXECUTE THIS AGREEMENT

The person or persons executing this Agreement on behalf of Consultant warrants and represents that he or she has the authority to execute this Agreement on behalf of the Consultant and has the authority to bind Consultant to the performance of its obligations hereunder.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed the day and year first above written.

CITY OF AGOURA HILLS

Deborah Klein Lopez,
Mayor

ATTEST:

Kimberly M. Rodrigues, MMC
City Clerk

Date Approved by City Council: _____

APPROVED AS TO FORM:

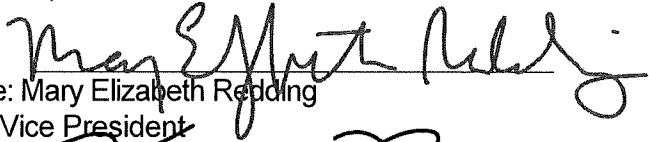
Candice K Lee,
City Attorney

CONSULTANT

Bartel Associates, LLC
411 Borel Avenue, Suite 620
San Mateo, CA 94402
Attention: Joseph D'Onofrio

Phone: 650-377-1610

Fax(650)354-8057

By: 
Name: Mary Elizabeth Redding
Title: Vice President

By: 
Name: Doug Pryor
Title: Secretary

[Signatures of Two Corporate Officers Required]

EXHIBIT A

TASKS TO BE PERFORMED

The specific elements (scope of work) of this service include:

See attached letters dated January 29, 2021, City of Agoura Hills – June 30, 2021, GASB 68 Actuarial Information for CalPERS Cost-Sharing (Risk Pool) Plans, February 11, 2021 – 2021 OPEB Actuarial Valuation Proposal and Data Request, January 5, 2022 – City of Agoura Hills - CalPERS Review and February 3, 2022 – GASB 68 Actuarial Information for CalPERS Cost-Sharing (Risk Pool) Plans

Actuarial Valuation and Meeting for 6/30/21 to be performed by August 31, 2021

GASB 75 Accounting Information for 6/30/22 to be performed by August 31, 2022

GASB 75 Accounting Information for 6/30/23 to be performed by August 31, 2023

GASB 68 Accounting Information for 6/30/21 to be performed by August 31, 2021

GASB 68 Accounting Information for 6/30/22 to be performed by August 31, 2022

GASB 68 Accounting Information for 6/30/23 to be performed by August 31, 2023

EXHIBIT B

PAYMENT RATES AND SCHEDULE

See attached letters dated January 29, 2021, City of Agoura Hills – June 30, 2021, GASB 68 Actuarial Information for CalPERS Cost-Sharing (Risk Pool) Plans, February 11, 2021 – 2021 OPEB Actuarial Valuation Proposal and Data Request, January 5, 2022 – City of Agoura Hills - CalPERS Review and January 5, 2022 – City of Agoura Hills - CalPERS Review and February 3, 2022 – GASB 68 Actuarial Information for CalPERS Cost-Sharing (Risk Pool) Plans



January 29, 2021

Christy Pinuelas
Director of Finance
City of Agoura Hills
30001 Ladyface Court
Agoura Hills, CA 91301

Re: 2021 GASBS 68 Actuarial Information for CalPERS Cost-Sharing (Risk Pool) Plans

Dear Ms. Pinuelas:

Bartel Associates is available to assist the City of Agoura Hills with 6/30/2021 GASB Statement 68 reporting. To help alleviate Covid-19 economic impacts we are not increasing our fees this year. Based on your participation in the Miscellaneous risk pool only, our base fee of \$1,400 includes:

- City's proportionate share of net pension liability, NPL sensitivity, and deferral amounts
- All employer-specific deferrals and associated recognition schedules
- Net pension expense
- All actuarial amounts required for the note disclosures and RSI
- Journal entries
- Up to 1 hour review/discussion of the report with you and/or your auditors.

To complete the report we need:

- FY 2021 CalPERS contributions by rate group (available on MyCalPERS)
- FY 2021 covered payroll in a worksheet format (available on MyCalPERS)
- Link to your 2020 CAFR or financial statements.

This data won't be available until after June 30, 2021. We expect turnaround for the reports to be 3-4 weeks after we receive all data. Extra work or schedules not in our standard report are available at an additional charge.

To authorize us to begin this engagement, please complete the information on the following page or contact me or Kateryna Doroshenko, actuarial analyst, by email as listed below. We look forward to assisting you with this important reporting requirement.

Sincerely,

A handwritten signature in cursive script that reads "Mary Elizabeth Redding".

Mary Elizabeth Redding
Vice President & Actuary
mbredding@bartel-associates.com; 650/377-1617
kdoroshenko@bartel-associates.com; 650/377-1663

Christy Pinuelas
January 29, 2021
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I accept Bartel Associates' proposal to prepare GASBS 68 information for our CalPERS cost sharing plans. Report will be completed 3-4 weeks after receipt of final June 30, 2021 data.

Agency: City of Agoura Hills
Risk Pool: Miscellaneous risk pool only
Base Fee: \$1,400

Additional services requested:

_____ Please list any special request:

Accepted by:

Signature

Name

Date

City of Agoura Hills

Agency

Title

Address/Email/Phone:



February 11, 2021

Christy Pinuelas
Director of Finance
City of Agoura Hills
30001 Ladyface Court
Agoura Hills, CA 91301

Re: June 30, 2021 OPEB Actuarial Valuation Proposal and Data Request

Dear Ms. Pinuelas:

Bartel Associates would be pleased to provide actuarial consulting services to the City of Agoura Hills. This letter summarizes the project scope and our estimated fees for a June 30, 2021 actuarial valuation and related GASBS 75 accounting information for the City's retiree healthcare plan.

Actuarial Valuation

The last actuarial valuation as of June 30, 2019 provided the Actuarially Determined Contributions (ADCs) for the fiscal years ending June 30, 2021 and June 30, 2022, was used as the basis for the City's GASBS 75 financial reporting for the fiscal year ending June 30, 2020, and will be used for the City's GASBS 75 financial reporting for the fiscal year ending June 30, 2021.

The next actuarial valuation as of June 30, 2021 will provide the ADCs for the fiscal years ending June 30, 2023 and June 30, 2024 and will be used as the basis for the City's GASBS 75 financial reporting for the fiscal years ending June 30, 2022 and June 30, 2023.

Accounting Standards

GASBS 75 provides OPEB accounting standards for governmental employers. Actuarial valuations must be done at least biennially. GASBS 75 information can be determined as of a measurement date no earlier than the prior fiscal year-end and can be based on a roll-forward of the results of an actuarial valuation performed no earlier than 30 months prior to the fiscal year-end. (The City currently uses the prior fiscal year-end as the GASBS 75 measurement date.) Note, however, that actuarial valuations may need to be done more frequently when there are significant changes to participants, OPEB plan provisions, healthcare plan providers, actuarial assumptions, or funding policy.

Estimated Fees

Our estimated fees for the June 30, 2021 actuarial valuation, including a draft CERBT valuation packet and one meeting with staff to review the valuation results, and GASBS 75 accounting information reports for the fiscal years ending June 30, 2022 and June 30, 2023 are:¹

¹ Our estimated fee for the GASBS 75 accounting information report for the fiscal year ending June 30, 2021 was included in our May 14, 2019 proposal letter for the June 30, 2019 actuarial valuation.



<u>Project</u>	<u>Valuation Date</u>	<u>Fiscal Year-End</u>	<u>Estimated Fee</u>	<u>Not-to-Exceed Fee</u>
Actuarial Valuation and Staff Meeting	6/30/21		\$14,000	\$16,000
GASBS 75 Accounting Information Report		6/30/22	3,300	3,800
GASBS 75 Accounting Information Report		6/30/23	<u>3,400</u>	<u>3,900</u>
Total (Two Fiscal Years)			20,700	23,700

Actuarial valuations are done biennially while GASBS 75 accounting information reports are prepared each fiscal year. The June 30, 2021 actuarial valuation would typically be done during 2021/22 and the GASBS 75 reports soon after the fiscal year-ends.

Please note below what will be included in the actuarial valuation and GASBS 75 accounting information reports and what will require an additional fee. If the City needs a fixed fee in its agreement or purchase order with us, it should include our not-to-exceed fee. We will not bill more than this amount without prior discussion except as indicated in this proposal. We will invoice the City monthly based on time incurred, subject to the above maximum fees.

Fees might be higher if the project scope changes or the City needs additional work. You should consider increasing your budget with us if you expect to need other projects or conversations with us during the next several years. Charges for additional work will be billed separately based on the time needed and our billing rates.

Please review the following questions before the City drafts an agreement or purchase order with our firm, if needed, and before you ask us to begin work:

- Have there been any changes to OPEB plan provisions since the last actuarial valuation as of June 30, 2019?
- Have there been any changes to the City's healthcare plan providers since the last actuarial valuation as of June 30, 2019?
- Have there been any changes to the funding policy, investment policy, or OPEB trust since the last actuarial valuation as of June 30, 2019 or any such changes anticipated over the next few years?
- Will the City provide the census data, including all the fields requested, in one Excel file and with one record per participant as requested in the data requirements section of this letter?
- How should we invoice the City for additional work requested outside the scope of this proposal, for example, by including an additional discretionary budget in any agreement or purchase order?

We may need to revise our estimated fees based on your answers to the above questions since we have not included time to address them in our fee estimates as they were not known to us as of the date of this proposal letter.



Our fee estimates assume:

- We will bill the City at the following hourly rates:

President	\$370
Vice President	300
Assistant Vice President	270
Associate Actuary	220
Senior Actuarial Analyst	200
Actuarial Analyst	160
- The City has made no changes to its retiree healthcare plan provisions since the last actuarial valuation as of June 30, 2019. (Please review the benefit summary in our June 30, 2019 valuation report and let us know of any changes.)
- Participant census data requested will be provided completely and accurately in an Excel workbook with one record per participant.
- The City has followed and not changed its funding policy since the June 30, 2019 actuarial valuation. (Please review the funding policy as stated in the June 30, 2019 valuation report and let us know of any changes.)
- OPEB obligations for the actuarial valuation will be presented in total and with a breakdown by cash subsidy and implicit subsidy.
- We will include a “gain/loss” analysis showing the reasons for changes in the Actuarial Accrued Liability and funded status since the last valuation.
- We will include a 10-year projection of benefit payments, ADCs, Unfunded Actuarial Accrued Liability, and funded status.
- We will have one meeting with City staff to review the valuation results.
- We will provide GASBS 75 accounting information reports for the fiscal years ending June 30, 2022 and June 30, 2023 based on the June 30, 2021 actuarial valuation using the prior fiscal year-ends as the GASBS 75 measurement dates.
 - Our GASBS 75 estimated fees assume there will be no changes in OPEB plan provisions, healthcare plan providers, funding policy, investment policy, or OPEB trust between the actuarial valuation date and the GASBS 75 measurement dates.
 - 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 City and its auditor to assist in preparing the City’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 City would like us to do so, our fees will be higher.
- We will provide a draft of the CERBT Valuation Packet required by CalPERS. The CERBT Valuation Packet includes a Certification of Funding Policy and a Summary of Actuarial Information.
- There will be no additional charges for expenses (e.g., telephone, copying, travel etc.) for the June 30, 2021 valuation, the GASBS 75 accounting information reports, and the actuarial valuation preliminary results meeting.
- We will invoice the City monthly based on time incurred, subject to the above “not-to-exceed” fees.



Our estimated fees are based on our expected time for the projects, as defined above, and our hourly rates. We have assumed we will receive census data in the format requested as we cannot estimate the additional time needed to merge or reconcile census data if it is not provided in the requested format.

Our estimated fees may be higher if:

- The City has changed its retiree healthcare plan design since the June 30, 2019 actuarial valuation.
- Participant census data is not complete, accurate, or not provided in an Excel workbook with one record per participant.
- Results are needed separately for additional breakdowns or employee groups.
- Results are needed for alternative actuarial assumptions, funding policies, or plan designs.
- The City makes any healthcare provider, plan provision, funding policy, investment policy, or OPEB trust changes between the actuarial valuation date and the GASBS 75 measurement dates.
- The City requests assistance with its OPEB footnotes.
- The City requests additional meetings, such as a planning meeting, a committee meeting, a City Council presentation, or separate meetings to review the accounting 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.
- The City 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 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 City should therefore set up an appropriate budget for any additional anticipated or potential consultation needed.

Data Requirements - 2020/21 Fiscal Year GASBS 75 Accounting Information Report²

We will need the following information for the June 30, 2021 GASBS 75 accounting information report. The June 30, 2021 GASBS 75 accounting information report will be based on the prior June 30, 2019 valuation and use a June 30, 2020 measurement date. Please provide this information as soon as possible after June 30, 2021:

- Written summary of the City's retiree healthcare plan and other OPEB provisions, including a description of the City's contributions for active and retired employees, if they have changed since the June 30, 2019 actuarial valuation.
- The City's 2019 financial statement if not available on the City's website.
- CERBT quarterly trust statements for the quarters ending September 30, 2020, December 31, 2020, March 31, 2021, and June 30, 2021 (when available), including contributions (and dates made) and reimbursements (and dates made).
- City's cash subsidy pay-as-you-go cost paid to CalPERS for retiree healthcare for 2020/21 and the amount, if any, reimbursed by the OPEB trust. This is the portion of the premium paid by the City to CalPERS for retirees for 2020/21. (For example, the City provided \$16,128 paid to CalPERS for 2019/20, all of which was reimbursed by the OPEB trust.) Please provide one number for the amount the City will report for 2020/21 adjusted for reimbursements requested from the OPEB trust after the

² Our estimated fee for the GASBS 75 accounting information report for the fiscal year ending June 30, 2021 was included in our May 14, 2019 proposal letter for the June 30, 2019 actuarial valuation.



fiscal year-ends. The amount provided should agree with the amounts shown on the CERBT quarterly OPEB trust statements.

- City's cash subsidy pay-as-you-go cost paid directly to retirees by the City or through ICMA or other third party administrator for retiree healthcare for 2020/21 and the amount, if any, reimbursed by the OPEB trust. (For example, the City provided \$37,617 for 2019/20, all of which was reimbursed by the OPEB trust.) Please provide one number for the amount the City will report for 2020/21 adjusted for reimbursements requested from the OPEB trust after the fiscal year-ends. The amount provided should agree with the amounts shown on the CERBT quarterly OPEB trust statements.
- PEMHCA administrative fees paid on behalf of retiree premiums for 2020/21, separately from the cash subsidy pay-as-you-go retiree healthcare cost, and the amount, if any, reimbursed by the OPEB trust. This is shown on your monthly CalPERS PEMHCA invoices. (For example, the City provided \$246 for 2019/20, all of which was reimbursed by the OPEB trust.) Please provide one number for the amount the City will report for 2020/21 adjusted for reimbursements requested from the OPEB trust after the fiscal year-ends. The amount provided should agree with the amounts shown on the CERBT quarterly OPEB trust statements.
- ICMA or other or other third party administrator's fees for 2020/21, separately from the cash subsidy pay-as-you-go retiree healthcare cost, and the amount, if any, reimbursed by the OPEB trust. (For example, the City provided \$231 for 2019/20, all of which was reimbursed by the OPEB trust.) Please provide one number for the amount the City will report for 2020/21 adjusted for reimbursements requested from the OPEB trust after the fiscal year-ends. The amount provided should agree with the amounts shown on the CERBT quarterly OPEB trust statements.
- City's OPEB trust contributions for 2020/21. Please provide one number for the amount the City will report for 2020/21 adjusted for contributions made to the OPEB trust for the fiscal year after the fiscal year-ends. (For example, the City provided \$201,000 for 2019/20.) The amount provided should agree with the amounts shown on the CERBT quarterly OPEB trust statements for the 2020/21 fiscal year.
- Number of covered employees as of the GASBS 75 June 30, 2020 measurement date for the June 30, 2021 fiscal year-end OPEB disclosure broken down by active employees, inactive employees (i.e., retirees) receiving benefit payments, and inactive employees entitled to but not yet receiving benefit payments (i.e., retirees who waived coverage but can participate in the future). Since we only have this information as of the June 30, 2019 valuation date, you need to determine the number of covered employees as of the June 30, 2020 measurement date internally. (The June 30, 2020 GASBS 75 accounting information report had 35 active employees, 9 inactive employees receiving benefit payments, and 3 inactive employees entitled to but not yet receiving benefit payments as of the measurement date of June 30, 2019.)

Our estimated fee for the GASBS 75 report does not include time to review data files but only to insert the counts you provide in our report. You might find it helpful to request a June 30, 2020 CalPERS PEMHCA data extract from the my|CalPERS portal to obtain the June 30, 2020 covered employee counts. (Note you may already have this information since you provided it to CalPERS on their "CalPERS CERBT Fund (OPEB) Employer OPEB Contribution Summary for GASB Reporting for the Fiscal Year 2019/20.") We can include the June 30, 2020 number of covered employees in our GASBS 75 report if provided to us.

- Total covered employee payroll for the 2020/21 fiscal year. GASBS 75 defines covered employee payroll as "the payroll of employees that are provided with OPEB through the OPEB plan." The City and its auditor should determine the proper covered employee payroll to report. For example, it might be Medicare taxable payroll for Medicare eligible employees eligible for OPEB during the fiscal year, including OPEB eligible employees who terminated during the year. We can include 2020/21 covered



employee payroll in our GASBS 75 report if provided to us. Please provide one number and not an individual employee listing. (For example, the City provided \$3,823,238 for 2019/20.)

- Do not provide backup material if one number is requested unless the City would like us to review that material, in which case our fees will be higher.

Please provide all of the above information in one transmittal to us. Please make a copy of this GASBS 75 data request, check off each item provided, and include a copy of that checklist with your GASBS 75 data transmittal.

Data Requirements - June 30, 2021 Actuarial Valuation

The following additional information is needed for the June 30, 2021 actuarial valuation and can be provided after June 30, 2021:

- Written summary of the City's retiree healthcare plan and other OPEB provisions, including a description of the City's contributions for active and retired employees, if they have changed since the June 30, 2019 actuarial valuation. (Please review the benefit summary in our June 30, 2019 valuation report and let us know of any changes, including any changes to the fixed dollar amounts.)
- Copies of the most recent MOUs for bargained employee groups, if any, and agreements for unrepresented groups if not available on the City's website.
- Any anticipated changes to OPEB plan provisions.
- City's active employee healthcare costs for 2020/21 and an estimate of the City's active employee healthcare costs for 2021/22, if available.
- The City's most current CalPERS PEMHCA resolutions for retiree healthcare benefits. (We have PEMHCA resolution 08-1501).
- The City's CalPERS health premium invoices, including listings of the City's contributions for each active employee and retiree, for June 2021 (dated May 2021) and August 2021 (dated July 2021) when available.
- City contributions budgeted to be made to the OPEB trust for years after 2020/21, if any, that the City would like us to include in our 10-year projections. If none, we will use the City's current funding policy and our valuation results for our 10-year projections.
- Any anticipated changes to the current investment policy or OPEB trust.
- Active and retired participant data as of the June 30, 2021 valuation date in an Excel workbook format. *(Note this is a "snapshot" date, so the census data file should not include any employee hires, terminations, or retirements after June 30, 2021.)* Active and retired participant information can be provided on separate worksheets. Provide only one record for the employee, retiree, or survivor and include any requested spouse or dependent information on that single record. Do not provide separate records for spouses or dependents. *(See the section below regarding obtaining a CalPERS PEMHCA data extract. We strongly recommend you start with a CalPERS data extract when assembling the requested census data as it should make the census data collection process easier for you. CalPERS PEMHCA data extracts include retirees who waived coverage and therefore do not participate in the City's healthcare plans, information which might not be readily available to the City.)*
 - **Active Employee Data** - name, employee number (not Social Security number), birth date, hire date, gender, total CalPERS service with the City, total CalPERS service including CalPERS service at other agencies and reciprocal employment, healthcare plan and region, single/2-party/family coverage, CalPERS pension plan tier (e.g., 2%@55, 2%@62, etc.), bargaining or employee group (including City Council members, if eligible), classification (full-time, part-time, temporary, seasonal, etc.), OPEB eligibility, and 2020/21 PERSable compensation.



- For any part-time, temporary, and seasonal employees, indicate if they are currently eligible for OPEB at retirement, and if not, indicate if they might likely be in a classification eligible for OPEB at retirement.
- Include active employees who waived healthcare coverage.
- Retiree Data - name, employee number (not Social Security number), birth date, hire date, gender, retirement type (service retirement, disability retirement, surviving spouse), retirement date, healthcare plan and region, single/2-party/family coverage, spouse's birth date (if available), bargaining or employee group (including City Council members, if eligible), portion of the monthly premium paid by the City for June 2021 (including amounts paid to CalPERS and directly to the retiree separately), and portion of the monthly premium paid by the retiree for June 2021. (The portion of the premium paid by the City and the portion paid by the retiree should equal the premium.) Include any retirees or surviving spouses of retirees who waived coverage.
For PEMHCA, retirees are employees who retired directly from the City and became CalPERS annuitants within 120 days of termination of employment. This includes retirees who waived healthcare coverage at retirement since they can later elect to be covered. It does not include CalPERS retirees who formerly worked for the City but did not retire directly under CalPERS from the City.
- CalPERS PEMHCA Data Extract - Please request and send us a June 30, 2021 CalPERS PEMHCA Data Extract from the my|CalPERS portal. This data file will contain much of the above information. If you use the CalPERS PEMHCA data extract to provide the requested participation information above, add the following information to the data extract:
 - 2020/21 PERSable compensation to each active record.
 - Classification (full-time, part-time, temporary, seasonal, etc.) to each active record. For any part-time, temporary, and seasonal employees, indicate if they are currently eligible for OPEB, and if not, indicate if they might likely be in a classification eligible for OPEB at retirement.
 - Bargaining unit or employee group (including City Council members, if eligible) to each active and retiree record.
 - Any monthly employer contribution in excess of that reported by CalPERS for June 2021 to each retiree record.
 - Monthly employer payment to any retiree record that shows the retiree waived PEMHCA coverage ("not enrolled") if the City provides a payment to such retirees.
 - Include healthcare plan and coverage election information for recent hires before June 30, 2021 if their records show they waived PEMHCA coverage ("not enrolled") if their elections were processed soon after June 30, 2021. (Otherwise, we would include such employees with employees who waived healthcare coverage.)

Review the CalPERS OPEB Census Information Report available on the CalPERS' website that describes the data elements and the limitations of the data provided. Note that CalPERS recommends you review the data extract since it is unaudited.

Please indicate additions or changes to the original data extract, for example, by color. Please send us both the original data extracts provided by CalPERS and the files with your changes.

Please do not send any employee census data other than that requested, including worksheets for the sources of the information provided.

In order to maintain confidentiality, please do not provide Social Security numbers with any of the information provided.

Please make a copy of this valuation data request, check off each item provided, and include a copy of that checklist with your valuation data transmittal.



Our estimated fees assume the City will merge and reconcile all census data files and provide one file with one complete record for each eligible employee and retiree in an Excel workbook. If the City needs our help to merge and reconcile data, our fees will be higher. If the City needs to make changes to the census data file provided following our review, our fees will be higher to reflect any additional review required.

We may need additional information depending on our review of the information provided and the City's retiree healthcare plan design.

Timing

We can usually provide the GASBS 75 accounting information reports within two weeks after we have received all GASBS 75 requested information. Normally, we will need 6 to 8 weeks to complete the actuarial valuation after we receive all the requested information and the City replies to any questions we may have after our review of the information provided. The City should therefore provide the requested data early enough so we can complete the valuation in time to meet any needs the City may have for the valuation results.

We look forward to continue working with you and the City. Please call me at 650-377-1610 with any questions.

Sincerely,

Joseph R. D'Onofrio, FSA
Assistant Vice President

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January 5, 2022

Christy Truelsen
Director of Finance
City of Agoura Hills
30001 Ladyface Court
Agoura Hills, CA 91301

Re: City of Agoura Hills – CalPERS Review

Dear Ms. Truelsen:

Bartel Associates would be happy to provide the City of Agoura Hills actuarial consulting services.

Background

The City participates in CalPERS, providing Miscellaneous employees:

- Hired before January 1, 2013 and classic employees hired on or after January 1, 2013 the 2%@55 benefit formula, and
 - New members hired on or after January 1, 2013 the PEPRA 2%@62 benefit formula.
- The Miscellaneous plan is in CalPERS risk pool.

CalPERS has implemented a number of important changes over recent years, including:

- Phase-in contribution rates due to unfunded liability changes (adopted April 2013)
- Risk mitigation policy (adopted November 2015)
- Discount rate reduction to 7% (adopted December 2016), which won't fully impact contributions until 2024/25
- Amortization policy changes for future gains and losses (February 2018).

In addition, CalPERS changed the following at the November 2021 Board meeting:

- New asset allocation with 5% leverage
- 6.8% discount rate
- New demographic and economic assumptions based on the 2021 CalPERS experience study.

We prepared a review of the City's June 30, 2015 CalPERS actuarial valuations in 2017, including an analysis of utilizing a Section 115 supplemental pension trust. The City would like an updated review and analysis based on CalPERS June 30, 2020 valuation, including the impact of funding an additional \$100,000 per year for 10 years



Project Scope and Fees

CalPERS June 30, 2020 actuarial valuation reports (released in August) provide contribution projections through 2027/28, including the impact of PEPRA new hires. Our analysis will provide the City contribution rate projections over a longer period (through 2031/32 and beyond), including the impact of the changes described above, and will utilize Bartel Associates' stochastic investment return model to show likely ranges of contributions. We will include the combined impact of:

- Actual CalPERS returns since the 6/30/20 valuation date
- PEPRA changes
- CalPERS contribution/amortization policies
- Discount rate changes
- Lower expected investment returns over the next decade
- Investment return volatility.

We will provide a comprehensive review and summary of historical CalPERS actuarial information including:

- Review historical actuarial valuation reports,
- Summary of historical information for the Miscellaneous plan:
 - Participant demographic information,
 - Plan funded status
 - Contribution rates, including analysis of rate change for current year
 - Funded status reconciliation
- Review of the options the City has to pay down the unfunded liability and to establish a rate stabilization fund.
- Pension supplemental trust analysis
- Compare savings for contributing additional amounts to CalPERS vs. a Section 115 supplemental trust, including savings for paying off certain CalPERS bases.
- 2 meetings – one with City staff to discuss results and one Council or committee meeting

The following table summarizes the projects and fee estimates:

Project	Estimated Fees	Not To Exceed
■ CalPERS review and contribution projections including staff meeting	\$ 5,000	\$ 6,000
■ Pension supplemental trust analysis	2,000	2,500
■ Council or committee presentation (1 meeting)	1,500	2,000
■ Total	8,500	10,500



Please note:

- We will bill the City at the following hourly rates:

Position	Hourly Rate
Partner & Vice President	\$ 310
Assistant Vice President	280
Associate Actuary	230
Senior Actuarial Analyst	210
Actuarial Analyst	170

- The above time is estimated and does not include time for:
 - **Additional Reports** – If the City needs us to modify our report or needs additional reports for a committee or the City Council, our fees will be higher.
 - **More than 2 meetings.** Our fees include one meeting with staff to discuss results and one presentation to a committee or the City Council. Meeting fees assume a basic presentation similar to the presentation to the City staff. If additional/alterative presentation material is needed, fees may be higher. Additional meetings will increase our estimated fee for meeting and preparation time. If no additional preparation work is necessary, then our fees will be \$1,000 to \$1,500 for an additional meeting.
 - Additional scenarios for pension supplemental trust projections.

Data

Please provide:

- We have downloaded the June 30, 2018 through June 30, 2020 actuarial reports from CalPERS website and some old reports from prior projects. Please provide us the June 30, 2016 and June 30, 2017 CalPERS actuarial valuation reports.
- Confirm the City pays 7% Employer Paid Member Contributions (EPMC) for Classic Tier 1 employees.
- Confirm the City's Tier 1 employee cost-sharing as follows:
 - If the City's combined contribution rate for both Classic and PEPRA members exceeds 20% of payroll, Classic employees will contribute 50% of the employer rate over 20%.
 - If the City's combined contribution rate for both Classic and PEPRA members exceeds 25% of payroll, Classic employees will contribute 50% of the employer rate between 20% and 25% plus 100% of the employer rate over 25%, up to a maximum total cost-sharing of 7% of payroll.
 - If cost-sharing reaches 7%, further negotiation may be needed.
 - Note the City's contribution rate used for this calculation includes the employer contribution rates plus the 7% Tier 1 EPMC.
 - The City will provide its worksheet showing the calculation of the cost-sharing percentage for prior years through 2022/23.
 - Our analysis will assume no change to this policy as the number of Classic and PEPRA members change over time unless additional information is provided by the City.

Christy Truelsen
January 5, 2022
Page 4



- Confirm the City has not issued any Pension Obligation Bonds.
- Confirm the City would like to use \$100,000 per year for 10 years for the analysis of additional contributions to CalPERS or to a 115 supplemental trust.
- Other CalPERS correspondence, if appropriate.

We are prepared to begin this project immediately and can set a meeting date as soon as we receive the above information. We understand the City would like to have the study completed by mid-February in time for budgeting in March. We will be able to meet this dateline if we receive the above information by January 14, 2022. We look forward to working with you and the City.

Sincerely,

A handwritten signature in cursive script that reads 'Bianca Lin'.

Bianca Lin, FSA
Assistant Vice President and Actuary

c: Joe D'Onofrio, Bartel Associates LLC

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February 3, 2022

Christy Truelsen
Director of Finance
City of Agoura Hills
30001 Ladyface Court
Agoura Hills, CA 91301

Re: GASBS 68 Actuarial Information for CalPERS Cost-Sharing (Risk Pool) Plans

Dear Ms. Truelsen:

Bartel Associates is available to assist the City of Agoura Hills with GASB Statement 68 reporting. Based on your participation in both risk pools, our base fees include:

- City’s proportionate share of net pension liability, NPL sensitivity, and deferral amounts
- All employer-specific deferrals and associated amortization schedules
- Net pension expense
- All actuarial amounts required for the note disclosures and RSI
- Up to 1 hour review/discussion of the report with you and/or your auditors.

The schedule below outlines our base fees and timing for the next 2 years assuming there is no significant change in GASB Statement 68 or in CalPERS data or methodology:

Project	Approximate Timing	Fees
June 30, 2022 GASBS 68	August 2022	\$ 1,500
June 30, 2023 GASBS 68	August 2023	1,600

To complete the reports we need the following information.

June 30, 2022 GASBS 68 Report Data

- FY 2022 CalPERS contributions by rate group (available on MyCalPERS)
- FY 2022 covered payroll (available on MyCalPERS)
- Link to your 2021 Annual Financial Report or Financial Statements.

June 30, 2023 GASBS 68 Report Data

- FY 2023 CalPERS contributions by rate group
- FY 2023 covered payroll
- Link to your 2022 Annual Financial Report or Financial Statements.

This data won’t be available until after the end of the corresponding fiscal year. We expect turnaround for the reports to be 3-4 weeks after we receive all data. We also can prepare an earlier preliminary report using estimated amounts for an additional fee. Extra work or schedules not in our standard report are available at an additional charge.

Christy Truelsen
February 3, 2022
Page 2



To authorize us to begin this engagement, please complete the information on the following page or contact me or Kateryna Doroshenko, actuarial analyst, by email as listed below. We look forward to assisting you with this important reporting requirement.

Sincerely,

A handwritten signature in cursive script that reads "Mary Elizabeth Redding".

Mary Elizabeth Redding
Vice President & Actuary
mbredding@bartel-associates.com; 650/377-1617
kdoroshenko@bartel-associates.com; 650/377-1663

cc: Melinda Brodsly



I accept Bartel Associates' proposal to prepare GASBS 68 information for our CalPERS cost sharing plans for FY 2022 and 2023. Reports will be completed 3-4 weeks after receipt of final data.

Agency: City of Agoura Hills
Risk Pool: both risk pools

Additional services requested:

_____ Please list any special request:

Accepted by:

Signature

Name

Date

City of Agoura Hills

Agency

Title

Address/Email/Phone: