

## REPORT TO CITY COUNCIL

**DATE: AUGUST 9, 2023**

**TO: HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL**

**FROM: NATHAN HAMBURGER, CITY MANAGER**

**BY: CHRISTY TRUELSEN, DIRECTOR OF FINANCE**

**SUBJECT: APPROVE FIRST AMENDMENT TO THE AGREEMENT FOR CONSULTANT SERVICES WITH FOSTER & FOSTER CONSULTING ACTUARIES, INC. 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 amend an agreement for consultant services with Foster & Foster Consulting Actuaries, Inc. for actuarial services. The City's service has been reliable and Foster & Foster Consulting Actuaries, Inc. 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 Foster & Foster Consulting Actuaries, Inc. in the past and is confident that the firm will continue to provide high quality 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.

Foster & Foster Consulting Actuaries, Inc., formerly Bartel Associates, LLC, has been providing actuarial services to the City since 2017. The City is required to have an actuarial valuation of its OPEB for 2023, recognize and measure liabilities, deferred outflows of resources, deferred inflows of resources, and expenditures. Additionally, GASB 68 and 75 require annual reporting on both OPEB and the CalPERS pension. It is recommended that the same firm that conducts the valuation issue GASB 68 and 75 reports for the following years.

The proposed amendment for the valuation and GASB 68 and 75 reports through the 2024/25 Fiscal Year is \$29,000, bringing the annual contract total to \$67,700.

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

## **RECOMMENDATION**

Staff recommends the City Council approve the First Amendment to the Agreement for Consultant Services with Foster & Foster Consulting Actuaries, Inc. for actuarial services.

Attachment: Amendment to Agreement for Consultant Services

FIRST AMENDMENT TO AGREEMENT FOR CONSULTANT SERVICES  
WITH THE CITY OF AGOURA HILLS

NAME OF CONSULTANT: Foster & Foster Consulting  
Actuaries, Inc.

RESPONSIBLE PRINCIPAL OF CONSULTANT: Attn: Mary Elizabeth Redding

CONSULTANT'S ADDRESS: 411 Borel Avenue, Ste 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: 2/23/2022

TERMINATION DATE: 10/1/2025

CONSIDERATION: Amendment Amount: \$29,000  
  
Total Contract Price  
Not to Exceed: \$67,700/yr

**FIRST AMENDMENT TO AGREEMENT BETWEEN  
CITY OF AGOURA HILLS AND  
FOSTER & FOSTER CONSULTING ACTUARIES, INC.**

**Actuarial Consulting Services**

THIS FIRST AMENDMENT is made and entered into as of August 9, 2023, by and between the City of Agoura Hills, a municipal corporation (hereinafter referred to as "City"), and Foster & Foster Consulting Actuaries, Inc., a Corporation (hereinafter referred to as "Consultant"). In consideration of the mutual covenants and conditions set forth herein, the parties agree as follows:

1. This Amendment is made with the respect to the following facts and purposes:

a. On February 23, 2023, the City and Consultant entered into that certain Agreement entitled "Agreement for Consultant Services", in the amount of Thirty-Eight Thousand Seven Hundred Dollars and Zero Cents (\$38,700.00)

b. The parties now desire to: add scope of work, extend the term of the agreement to October 1, 2025, and to increase the payment in the amount of Twenty-Nine Thousand Dollars and Zero Cents (\$29,000.00), and to amend the Agreement as set forth in this Amendment.

2. Section One of the Agreement entitled "**TERM**" is hereby amended to read as follows:

"This Agreement shall remain and continue in effect until tasks herein are completed, but in no event later than October 1, 2025, unless sooner terminated pursuant to the provisions of this Agreement."

3. Section Four of the Agreement entitled "**PAYMENT**" at paragraph "a" is hereby amended to read as follows: "The City agrees to pay Consultant monthly, in accordance with the payment rates and schedules and terms 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. The **FIRST** Amendment amount shall not exceed Twenty-Nine Thousand Dollars and Zero Cents (\$29,000), for additional actuarial consulting for a total Agreement amount of Sixty-Seven Thousand Seven Hundred Dollars and Zero Cents (\$67,700.00)."

4. Exhibit A to the Agreement is hereby amended by adding thereto the items set forth on Attachment "A" to this Amendment, which is attached hereto and incorporated herein as though set forth in full.

5. Except for the changes specifically set forth herein, all other terms and conditions of the Agreement shall remain in full force and effect.

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

**CITY OF AGOURA HILLS**

\_\_\_\_\_  
Chris Anstead,  
Mayor

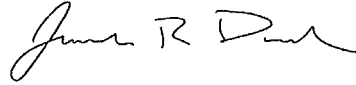
ATTEST:

\_\_\_\_\_  
Kimberly M. Rodrigues, MMC  
City Clerk  
*Date Approved by City  
Council* \_\_\_\_\_  
APPROVED AS TO FORM:

\_\_\_\_\_  
Candice K. Lee,  
City Attorney

**CONSULTANT**

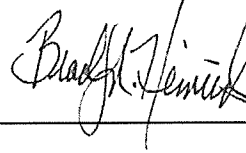
Foster & Foster Consulting Actuaries, Inc  
411 Borel Avenue, Ste 620  
San Mateo, CA 94402  
Mary Elizabeth Redding  
650-377-1600  
mary.beth.redding@foster-foster.com



By: \_\_\_\_\_

Print Name: Jonathan R. Davidson

Title: Chief Legal Officer



By: \_\_\_\_\_

Print Name: Bradley R. Heinrichs

Title: President/Chief Executive Officer

[Signatures of Two Corporate Officers Required]

## ATTACHMENT A

*Attached hereto and incorporated herein is the additional scope of work and associated cost as provided by the Consultant.*

See letters dated March 2, 2023, and June 1, 2023, which lists scope of services as:

- OPEB Valuation report and meeting      October – December 2023
- 2023/24 GASB 75 Report                      August 2024 – September 2024
- 2023/24 GASB 68 Report                      August 2024
- 2024/25 GASB 75 Report                      August 2025-September 2025
- 2024/25 GASB 68 Report                      August 2025



March 2, 2023

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

**Re: OPEB Actuarial Valuation Fees and Data Request**

Dear Ms. Truelsen:

Foster & Foster would be pleased to provide the City of Agoura Hills actuarial consulting services. This letter summarizes the project background, our fees/timing, and data requirements for a June 30, 2023 actuarial valuation on the City’s retiree healthcare plan.

**Background**

Foster & Foster (formerly Bartel Associates) prepared a June 30, 2021 valuation. The June 30, 2023 valuation will provide the Plan’s June 30, 2023 funded status and actuarially determined contributions (ADC) for fiscal years 2024/25 and 2025/26 and the basis for the GASBS 75 accounting information for fiscal years 2023/24 and 2024/25. GASBS 75 accounting information for each fiscal year will be provided in a separate report. The GASBS 75 reports will include all actuarial information necessary for GASBS 75 including Notes, RSI, supporting exhibits and calculations, and journal entries. We will meet with the City (via video conference call) to review results of each report.

Our report will include the same information as previous reports:

- Historical valuation results, asset information including returns, demographic information, and contributions vs. ADC.
- Gain and loss analysis with changes in the Actuarial Accrued Liability since the prior valuation
- Long term contribution and benefit payout projection
- Detailed participant statistics, including summary of healthcare plan and coverage elections.

**Fees/Timing**

Information provided under the actuarial valuation, timing, and fees are as follows:

| <b>Project</b>   | <b>Approximate Start/Completion Date</b> | <b>Fees</b> |
|--|--|-------------|
| Valuation report and meeting, including <ul style="list-style-type: none"> <li>■ 6/30/23 funded status</li> <li>■ 24/25 and 25/26 recommended contributions</li> <li>■ CERBT valuation packet</li> </ul> | October 2023/<br>December 2023           | \$19,750    |
| 2023/24 GASBS 75 Report<br>(based on 6/30/23 valuation)  | August 2024/<br>September 2024           | 2,750       |
| 2024/25 GASBS 75 Report<br>(6/30/23 valuation rolled forward to 6/30/24 measurement date)  | August 2025/<br>September 2025           | 3,000       |
| Total for 2 years  |  | \$25,500    |



Please note that our fees assume:

- The City has made no changes to its retiree healthcare plan or providers since June 30, 2021.
- No substantial changes occur after the valuation date that would require revised actuarial assumptions and/or plan provisions for GASBS 75.
- Participant census data requested will be provided completely and accurately in an Excel workbook based on the CalPERS OPEB data extract with 1 record per participant and all requested plan, financial, and census information will be internally consistent.
- Costs and liabilities will be provided using 1 funding method and 1 set of assumptions.
- The City has not changed its funding policy of contributing the full ADC.

Please note that our fees will be higher if:

- Results are needed separately for additional employee groups or alternative plan designs.
- The City requests additional meetings or any work out of the scope of this letter. If additional work is requested, we will provide a fee quote.
- Assistance with footnotes under GASBS 75 beyond our GASBS 75 reports (which will contain all actuarial related information needed for footnotes).

### **Timing**

Normally, the valuation results meeting is set about 8 weeks after we receive all the requested information and the City replies to any questions we may have. GASBS 75 reports will be completed approximately 2-3 weeks after year-end information is received, provided we have already completed the valuation.

### **Data Requirements**

Information needed for the projects is as follows:

#### *General Information*

- Summary of OPEB plan provisions and copies of the most recent MOUs for bargained employee groups and agreements for unrepresented groups if they have changed from June 30, 2021.
- The City's most current CalPERS PEMHCA resolution(s) if different from June 30, 2021.
- CalPERS PEMHCA database extract (see instructions below) modified as described below.
- August 2023 Monthly Employer Billing Roster. Please remove any Social Security numbers.
- All quarterly trust statements received from CalPERS CERBT since June 30, 2022 including contributions and dates made.

#### *Participant Census Data*

- The City should obtain its CalPERS PEMHCA database extract as of June 30, 2023 as follows:
  - Log in to myCalPERS as a business partner. The permission sets needed are Business Partner AR Billing and Business Partner Health Contracts. If you need access to myCalPERS, please contact the City's myCalPERS System Administrator.
  - Select the Health Contracts Tab and then the OPEB Data Extract Link on the left side toolbar. This extract may take up to 48 hours to process, but typical turnaround times are closer to 24 hours. The myCalPERS system will not send an automated email once completed, so you will need to log back in to the same page to obtain the extracted data files. You will receive 2 files: one for active participants and one for retired participants, please send us both.





- To use the data extract for the valuation please add:
  - PERSable compensation to each active record
  - Classification (full-time, part-time, Council members, temporary, seasonal, etc.) and OPEB eligibility (yes, no) to each active record
  - Portion of premium reimbursed by the City outside of PEMHCA to each retiree record.

*GASBS 75 Accounting Reports*

(we will begin working on the valuation before the data below becomes available)

- Fiscal Year End June 30, 2024 GASBS 75 Report
  - Covered employee payroll for fiscal year 2023/24 – the total payroll (gross W-2 Medicare wages) for all employees who could be eligible for OPEB (including those terminated during the fiscal year).
  - OPEB retiree pay-as-you-go costs (retiree health insurance subsidy paid by City) and administrative expenses (PEMHCA and ICMA or any other third party administrator) paid by the City during fiscal year 2023/24. Indicate portion of payments, if any, that were reimbursed by the trust.
  - All quarterly trust statements received from CalPERS CERBT including contributions and dates made during fiscal year 2023/24.

We may need additional data depending on our review of the City's retiree medical plan design. We understand the above data request could seem extensive; we are available to assist or answer any questions.

We look forward to continue working with you and the City. Please contact me (mary.beth.redding@foster-foster.com or 650-377-1617) with any questions.

Sincerely,

Mary Elizabeth Redding  
FSA, EA, MAAA

c: Drew Ballard, Foster & Foster, Inc.  
Tak Frazita, Foster & Foster, Inc.

O:\PROPOSALS\2023\_Proposals\OPEB\AgouraHillsCity\F&F\_AgouraHillsCity\_2023-03-02\_OPEB\_GASBS\_75\_fee\_letter.docx



June 1, 2023

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:

Foster & Foster, formerly Bartel Associates, is available to assist the City of Agoura Hills with GASB Statement 68 reporting. Based on your participation in the Miscellaneous risk pool only, our base fees include:

- 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.

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

| Project                | Approximate Timing | Fees     |
|------------------------|--------------------|----------|
| June 30, 2024 GASBS 68 | August 2024        | \$ 1,700 |
| June 30, 2025 GASBS 68 | August 2025        | 1,800    |

To complete the reports we need the following information.

*June 30, 2024 GASBS 68 Report Data*

- FY 2024 CalPERS contributions by rate group (available on MyCalPERS)
- FY 2024 covered payroll (available on MyCalPERS)
- Link to your 2023 Annual Financial Report or Financial Statements.

*June 30, 2025 GASBS 68 Report Data*

- FY 2025 CalPERS contributions by rate group
- FY 2025 covered payroll
- Link to your 2024 Annual Financial Report or Financial Statements.

This data won’t be available until after the end of the corresponding fiscal year. 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 by email as listed below. We look forward to assisting you with this important reporting requirement.

Sincerely,

Kateryna Pryor, Senior Actuarial Analyst  
kateryna.pryor@foster-foster.com; 650/377-1663  
mary.beth.redding@foster-foster.com; 650/377-1617

Christy Truelsen  
June 1, 2023  
Page 2

---

I accept Foster & Foster' proposal to prepare GASBS 68 information for our CalPERS cost sharing plans for FY 2024 and 2025. Reports will be completed 3-4 weeks after receipt of final data.

Agency: City of Agoura Hills  
Risk Pool: Miscellaneous risk pool only  
Base Fee: \$1,700 for FY 2024 and \$1,800 for FY 2025

Accepted by:

---

Signature

Christy Truelsen

---

Name

6/07/2023

---

Date

City of Agoura Hills

---

Agency

Director of Finance

---

Title

30001 Ladyface ct., Agoura Hills, CA 91301

---

ctruelsen@agourahillscity.org (818) 597-7319

---

Address/Email/Phone