



Staff Report

Date: August 2, 2016

To: City Council

From: Valerie J. Barone, City Manager

Reviewed by: Karan Reid, Director of Finance

Prepared by: Suzanne McDonald, Financial Operations Manager
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Subject: **Considering a budget appropriation in the amount of \$20,000 to provide for additional financial studies relating to the City's Other Post Employment Benefit and a Third Amendment to Professional Services Agreement with Bartel Associates, LLC to fund additional financial services required for the Other Post Employment Benefit fund (Post Retirement Health Care Benefit Fund)**

Report in Brief

The City entered into Administrative Agreement #2586 with Bartel Associates, LLC for financial services related to the Other Post Employment Benefit (OPEB) actuarial study and the City of Concord Retirement System (CCRS) actuarial study. The City Council is asked to authorize the City Manager to execute the Third Amendment to Professional Services Agreement in the amount of \$20,000 to fund additional financial services required for the Other Post Employment Benefit fund. After this amendment, the total contract amount will be \$107,000.

Recommended Action

Staff recommends the City Council approve the budget appropriation in the amount of \$20,000 to provide for additional financial studies relating to the City's Other Post Employment Benefit to be funded through the Post Retirement Health Care Benefit Fund, approve the Third Amendment to Professional Services Agreement with Bartel Associates, LLC and authorize the City Manager to execute such agreement subject to approval of the City Attorney..

Background

The City contracted with Bartel Associates, LLC (“Bartel”) to ensure compliance with the latest Governmental Accounting Standards Board (GASB) standards: GASB 67 and GASB 68, which require additional financial statement disclosure regarding the City’s unfunded liabilities. In addition, the contract allowed for other financial studies related to the City’s Other Post Retirement Benefit funds, as needed. The City has requested Bartel to perform other financial studies; namely, OPEB costing analysis and related labor negotiation meetings and presentations. The additional financial services requested require an amendment to the existing contract.

Analysis

With over 300 clients, Bartel specializes in providing government agencies with actuarial consulting services including retiree medical and pension GASB valuations. Bartel is well versed with the City of Concord’s pension plans and with the City’s Other Post Employment Benefit liability.

In accordance with the scope of the original agreement, Bartel has provided the City with actuarial reports required to meet the latest GASB pronouncements. Bartel’s original agreement also provided funding for additional financial services related to the City’s other post-employment benefits. Over the course of labor negotiations, the scope of services expanded to include additional OPEB costing analyses for the City and attendance and presentations at meetings to explain the impact of the various reports prepared. Additional financial services are anticipated to complete the costing analysis. These services exceed the current contract amount, requiring a contract amendment in an amount not-to-exceed \$20,000.

Financial Impact

An appropriation of \$20,000 from the Post Retirement Health Care Benefit fund is requested to fund the additional financial studies and presentations requested under the third amendment to this contract.

Public Contact

The City Council Agenda was posted.

Attachments

1. Third Amendment to Professional Services Agreement #2586

THIRD AMENDMENT TO PROFESSIONAL SERVICES AGREEMENT

This Third Amendment to Professional Services Agreement (“Third Amendment”) is entered into on this date, August 2, 2016, and amends the Professional Services Agreement between the City of Concord (“CITY”) and Bartel Associates, LLC, 411 Boreal Avenue, Suite 101, San Mateo, California, 94402 (“CONSULTANT”).

WHEREAS, the CITY and CONSULTANT entered into a Professional Services Agreement, to provide financial services relating to the Other Post Employment Benefit Actuarial Valuation and the City of Concord Retirement System Actuarial Valuation dated May 29, 2015 (the “Agreement”),

WHEREAS, the CITY and CONSULTANT executed the first amendment on December 8, 2015 to increase the total compensation of under the Agreement by \$45,000, to an amount not to exceed \$87,000,

WHEREAS, the CITY and CONSULTANT executed the second amendment on May 17, 2016 to extend the Agreement term to June 30, 2017,

WHEREAS, the CITY and CONSULTANT desire to increase the total compensation amount under the Agreement by \$20,000, to an amount not to exceed One hundred seven thousand dollars (\$107,000), for additional studies needed related to the City’s Other Post Retirement Benefit.

NOW THEREFORE, in consideration of the promises and conditions set forth in the Agreement, the parties mutually desire to amend the Agreement as follows:

1. Section 1 “Payment” is hereby amended to read as follows: The compensation to be paid to CONSULTANT including payment for professional services and reimbursable expenses, shall be at the rate and schedules in detail in Exhibit A to the original contract. However, in no event shall the amount CITY pays to CONSULTANT exceed One Hundred Seven Thousand dollars (\$107,000) for the term of this agreement.
2. Except as expressly amended herein, all other terms and conditions of the Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, the parties have executed this Third Amendment on the date indicated above.

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Dated: _____, 2016

Bartel Associates, LLC

BY: _____
John E. Bartel
President

Dated: _____, 2016

CITY OF CONCORD

By: _____
Valerie J. Barone
City Manager

APPROVED AS TO FORM:

ATTEST:

Susanne Meyer Brown
City Attorney

Joelle Fockler, MMC
City Clerk