

City of Culver City, California
City Council Agenda Item Report

Meeting Date: 01/26/09		Item Number: <u>C-6</u>	
AGENDA ITEM: Approval of an Amendment to the Existing Professional Services Agreement with AON Consulting for Actuarial Services.			
Contact Person/Dept.: Jeff Muir, Chief Financial Officer		Phone Number: (310) 253-5865	
Fiscal Impact: Yes ☒ No ☐		General Fund: Yes ☒ No ☐	
Public Hearing: ☐		Action Item: ☐	Attachments: ☒
Public Notification: AON Consulting (01/21/09); Master E-Mail Notification List (01/21/09)			
Department Approval: Jeff Muir (01/12/09)		City Attorney Approval: Carol Schwab (by H. Baker) (01/15/09)	
Chief Financial Officer Approval: Jeff Muir (01/12/09)		City Manager Approval: Jerry B. Fulwood (01/21/09)	

RECOMMENDATION:

Staff recommends the City Council approve an Amendment to the existing professional services agreement with Aon Consulting for actuarial services associated with implementation of Governmental Accounting Standards Board (GASB) Statement No. 45.

BACKGROUND / DISCUSSION:

On August 13, 2007, City Council approved the release of the Request for Proposal for Actuarial Services in order to determine the long-term costs of the City of Culver City's other post-employment benefits (OPEB) such as medical insurance for retirees. On November 14, 2007, City Council awarded a professional services agreement to AON Consulting for preparation of the actuarial report for the City's "other post employment benefits" (OPEB). This report was presented to the City Council on May 5, 2008.

In order to analyze methods and alternatives aimed at lowering the long-term costs and liabilities associated with post-employment medical insurance, the Human Resources Department has coordinated the formation of a Health Benefits Committee. This Committee is made up of Human Resources Department staff, Finance Department staff, City Manager's Office staff and representatives from the City's various bargaining groups. Part of the process of analyzing alternatives includes their potential effect on the City's OPEB liability. AON Consulting was asked to calculate the actuarial effects of several alternatives using the original data and assumptions from their prior actuarial analysis. The cost of this additional work is \$9,500.

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FISCAL ANALYSIS:

The budget for fiscal year 2008-09 includes sufficient funding for this amendment.

ATTACHMENTS:

Contract 2007-201 with AON Consulting

MOTION:

That the City Council:

1. Approve an Amendment to the existing professional services agreement with Aon Consulting for actuarial services by increasing the not-to-exceed dollar amount by \$9,500; and,
2. Authorize the City Attorney to review/prepare the necessary documents; and,
3. Authorize the City Manager to execute such documents on behalf of the City.