



Agenda Date: 6/27/2006
Agenda Placement: 6X

NAPA COUNTY BOARD OF SUPERVISORS Board Agenda Letter

TO: Board of Supervisors
FROM: Pamela Kindig - Auditor-Controller
Auditor - Controller
REPORT BY: Pamela Kindig, Auditor-Controller, 253-4647
SUBJECT: Discussion of OPEB and Approval of a contract with Bartel & Associates LLC

RECOMMENDATION

Auditor-Controller and Human Resources Director request approval of and authorization for the Chair to sign Amendment No. 1 to Agreement No. 6575 with Bartel Associates, LLC increasing the amount by \$6,000 for a new maximum of \$25,000 to provide additional consultation regarding other postemployment benefits.

EXECUTIVE SUMMARY

In December, 2005, the Board approved a contract with Bartel & Associates, LLC to prepare the valuation required under GASB 45 regarding the County's obligation to provide postemployment benefits. Today's amendment will add to the initial scope to include analysis regarding the separation of Court employees from the County, certain retiree obligations relating to Public Employees Medical and Hospital Care Act (PEMCHA) requirements, and additional meetings with County staff and presentations to the Board of Supervisors.

FISCAL IMPACT

Is there a Fiscal Impact?	Yes
Is it currently budgeted?	Yes
Where is it budgeted?	Funding is available in FY 05-06 Central Services appropriations.
Is it Mandatory or Discretionary?	Mandatory
Is the general fund affected?	Yes
Future fiscal impact:	GASB 45 requires annual valuations every other year. Staff will appropriate funds in Central Services to cover the expense of the valuation. The consultant is estimating those costs at \$2-5,000. There should no further costs associated with the analysis of the County and Court separation nor the

specific PEMCHA issues raised during this fiscal year.

Consequences if not approved: The County would not be in compliance with GASB 45 or state regulations regarding the separation of the Courts from the County.

Additional Information:

ENVIRONMENTAL IMPACT

ENVIRONMENTAL DETERMINATION: The proposed action is not a project as defined by 14 California Code of Regulations 15378 (State CEQA Guidelines) and therefore CEQA is not applicable.

BACKGROUND AND DISCUSSION

Governmental Accounting Standards Board (GASB) has established standards for the measurement, recognition, and display of those "other postemployment benefits" (OPEB) offered by many state and local government employers as part of a total compensation package for qualified employees. OPEB includes retiree healthcare benefits, as well as other forms of postemployment benefits such as life insurance. These standards address financial statement and disclosure requirements for reporting expenses and related accrued liabilities.

The Board of Supervisors approved a contract with Bartel & Associates, LLC to provide an actuarial valuation of the County's other postemployment benefits in December 2005. Under this contract, Mr. Bartel agreed to provide the County with a formal report including: annual required contribution, annual OPEB cost, net OPEB obligation, and ten years of projected benefit payments and annual OPEB cost. Initially staff anticipated presenting the report to the Board in March 2006, as part of the preparation for the Fiscal Year 2006-07 budget process. However, due to continued negotiations with CalPERS of which Mr. Bartel is an active participant, the report will not be presented until November 2006.

In the process of preparing the report, it became apparent that the County had certain obligations to both Court employees who were employed prior to the separation from the County and certain employees who were afforded certain benefits under the Public Employees Medical and Hospital Care Act (PEMHCA). Today's amendment will provide an analysis and valuation of those obligations in addition to providing additional meetings with County staff, the Board of Supervisors, and if needed, the County's bargaining groups.

SUPPORTING DOCUMENTS

None

CEO Recommendation: Approve

Reviewed By: Helene Franchi