


# M E M O

## *Alameda Corridor Transportation Authority*

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To: Governing Board

Meeting Date: February 24, 2023

From: Kevin C. Scott, Chief Financial Officer 

Subject: APPROVE Consent to Assignment and Assumption of Agreement No. C0788 to Foster & Foster Consulting Actuaries, Inc. from Bartel Associates, LLC

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### **Recommendation:**

Approve the proposed Consent to Assignment and Assumption of Agreement No. C0788 between the Alameda Corridor Transportation Authority and Bartel Associates, LLC (Bartel) to Foster & Foster Consulting Actuaries, Inc. (Foster & Foster) and authorize the Chief Executive Officer or his designee to execute said agreement.

### **Discussion:**

At its October 2007 meeting, the Governing Board approved ACTA's participation in the prefunding plan administered by the CalPERS Board of Administration for Other Post Employment Benefits (OPEB). The Governing Board also approved making an initial deposit and future annual deposits as necessary to meet continuing obligations.

The Government Accounting Standards Board (GASB) requires governmental entities to calculate the liability associated with certain retirement benefits to past and present employees. The present value of the obligation must be determined by a licensed actuary, and requires a periodic update (biannual) of the actuarial valuation and determination of an annual payment amount made to the CalPERS OPEB account. Bartel has provided services required by GASB 68 including preparation of the draft report. The information is required in order to complete ACTA's annual audit report.

In July 2007, Agreement No. C0788 was entered into with Bartel Associates LLP for the required valuations. Since the date of the original Agreement, changes in Accounting Standards and the implementation of GASB 75, replacing GASB 45, require most public entities to obtain a biannual actuarial valuation. With the substantial growth of business, Bartel Associates, LLP became an LLC.

After a 2007 competitive selection process, Bartel was selected to provide the required GASB 45 actuarial valuations. Agreement No. 7088 commenced July 1, 2007 for a term of one year through June 30, 2008 in the amount of \$14,500 with an option to extend an additional two years. Board approval of the agreement was not required in 2007 because the contract amount was within the contracting authority of the Chief Executive Officer, in that the contract was less than the delegated authority amount of \$50,000. Two subsequent amendments extended the term through June 30, 2010 increasing the contract value to \$25,000.

At its August 2009 meeting, the Board approved a six-year extension through June 30, 2016 and a \$50,000 increase in contract value from \$25,000 to \$75,000. At its June 2016 meeting, the Board approved a two-year extension through June 30, 2018 and a \$20,000 increase in contract value to \$95,000. At its June 2018 meeting, the Board approved a one-year extension through June 30, 2019 that resulted in an increase of \$10,000.

At its November 15, 2019, meeting, the Board approved the Ninth Amendment to Agreement No. 7088. The amendment extended the term for five years through December 31, 2024, added \$75,000 to the contract value for a total not to exceed compensation amount of \$180,000, and increased the hourly rates.

Foster & Foster is an independent national actuarial consulting firm that specializes in providing retirement and health & welfare consulting services to sponsors of public, private, and multi-employer benefit plans. Foster & Foster acquired Bartel effective July 1, 2022. Foster & Foster will perform actuary services with the same employees as Bartel. In order to continue to perform the actuarial services for ACTA, Foster & Foster has agreed to assume the terms and conditions of Agreement No. 0788 pursuant to the Assignment and Assumption Agreement (Transmittal 1).

Staff recommends that the Governing Board approve the Assignment and Assumption Agreement and authorize the CEO to execute the agreement.

**Budget Impact:**

There is no impact to the FY23 Program Budget for the amendment and assignment of the agreement.

**Co-General Counsel Review:**

ACTA's Co-General Counsel has reviewed and approved the proposed Assignment and Assumption of Agreement No. C0788 as to form.

**Transmittals:**

Transmittal 1 – Assignment & Assumption of Agreement No. C0788 to Foster & Foster Consulting Actuaries, Inc.