

State of California  
**COUNTY OF NEVADA**

MARCIA L. SALTER – Auditor-Controller

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**NEVADA COUNTY BOARD OF SUPERVISORS**  
**Board Agenda Memo**

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**MEETING DATE:** July 25, 2017  
**TO:** Board of Supervisors  
**FROM:** Marcia L. Salter, Auditor-Controller  
**SUBJECT:** Resolution Approving a Contract with Bartel Associates LLC To Provide the Biennial Other Post-Employment Benefits (OPEB) Actuarial Valuation

**RECOMMENDATION:** Approve an agreement with Bartel Associates LLC to provide a Biennial Other Post-Employment Benefits (OPEB) Actuarial Valuation, in the amount \$31,500. This valuation report is necessary to complete required GASB 45/75 OPEB Unfunded Liability reporting in the County's financial statements.

**FUNDING:** The cost of this contract is \$31,500 and was a planned General Fund expenditure and was included in the County's Fiscal Year 2017-18 Adopted Budget. No additional General Fund dollars are needed.

**BACKGROUND:**

Every other year, the County contracts with an independent third party for a biennial actuarial valuation of the County's Other Post-Employment Benefits (OPEB which is health insurance benefits for retirees). The valuation study uses the County's demographics of employees and retirees, benefit information, and actuarial assumptions, such as longevity and investment return to calculate our unfunded liability (difference between assets we hold in trust and the amount owed to retirees) in compliance with the Government Accounting Standard Board (GASB) 45/75 requirement to show the Net Other Post Employment Benefit Liabilities in the County's comprehensive annual financial report (CAFR).

In addition, the County uses the actuarial valuation to determine the annual required contribution rate for County departments to pay for ongoing retiree health costs and to set aside funds in the established OPEB Trust. The Board adopted the funding strategy to pre-fund the OPEB unfunded liabilities in 2008. This trust is an IRS Section 115

irrevocable trust restricted for retiree health benefits. This trust is similar to the Pension Trust the Board of Supervisors recently authorized to stabilize pension costs and liabilities. As of June 30, 2016 the balance of assets in the County's OPEB Trust was \$19,990,000 and the OPEB unfunded liability was \$35,157,000.

The County has contracted with Bartel and Associates since 2006 for the actuarial valuation study. The last OPEB actuarial study was prepared using June 30, 2015 year end data and has been used for the FY 16/17 and 17/18 fiscal years. The next study will be prepared using the June 30, 2017 data to calculate the actuarial determined contributions for the FY18/19 and 19/20.

Bartel Associates LLC will prepare the biennial OPEB actuarial valuation study providing the information necessary for compliance with the GASB 45/75 financial reporting requirements.

**Item Initiated and Approved by:            Marcia L. Salter, Auditor-Controller**

Submittal Date:        July 6, 2017  
Revision Date: