



Contra Costa County

To: Board of Supervisors
From: David Twa, County Administrator
Date: March 19, 2019

Subject: Contract with Milliman, Inc. for Actuarial and Consulting Services

RECOMMENDATION(S):

APPROVE and AUTHORIZE the County Administrator, or designee, to execute a contract with Milliman, Inc. in an amount not to exceed \$400,000 for actuarial services for the period March 20, 2019 through June 30, 2022, subject to approval as to form by County Counsel.

FISCAL IMPACT:

Up to \$400,000. The costs of the contract will be recovered through the Benefits Administration charges assessed to all County Departments.

BACKGROUND:

On January 18, 2019, the County Administrator's Office issued a request for proposals from actuarial consultants to advise the County on strategies for managing its other post-employment benefit ("OPEB") liabilities and complying with the requirements of GASB 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans, and GASB 75, Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions, and Government Code Section 7507.

The County received six responses to the issuance and a interview panel composed of the

☒ APPROVE

☐ OTHER

☒ RECOMMENDATION OF CNTY ADMINISTRATOR

☐ RECOMMENDATION OF BOARD COMMITTEE

Action of Board On: **03/19/2019** ☒ APPROVED AS RECOMMENDED ☐ OTHER

Clerks Notes:

VOTE OF SUPERVISORS

AYE: John Gioia, District I Supervisor
Candace Andersen, District II Supervisor
Federal D. Glover, District V Supervisor

ABSENT: Diane Burgis, District III Supervisor
Karen Mitchoff, District IV Supervisor

I hereby certify that this is a true and correct copy of an action taken and entered on the minutes of the Board of Supervisors on the date shown.

ATTESTED: March 19, 2019

David Twa, County Administrator and Clerk of the Board of Supervisors

By: Laura Cassell, Deputy

Contact: Timothy M. Ewell,
(925)335-1036

Treasurer-Tax

BACKGROUND: (CONT'D)

Collector, County Finance Director and Employee Benefits Manager interviewed the top three respondents. Based on those interviews, the panel recommended that Milliman, Inc. be awarded the contract to continue assisting the County with meeting the actuarial and accounting requirements of GASB 74/75, Government Code 7507, and with actuarial advice on developing strategies for the ongoing management of its OPEB liabilities.

The County's OPEB liability issue remains complex and has grown over a period of almost fifty years. The Board of Supervisors has developed a sound strategy to address the obligation and the Board's goals are being achieved. The County Administrator recommends the continued practice of engaging an OPEB consultant to assist with managing the County's OPEB liability and reporting on its status.

CONSEQUENCE OF NEGATIVE ACTION:

The County will not be able to meet its legal responsibilities regarding actuarial reporting of other post employment benefits.

CHILDREN'S IMPACT STATEMENT:

No impact.