



Minutes
Town of Atherton
CITY COUNCIL/ATHERTON CHANNEL
DRAINAGE DISTRICT
MAY 20, 2009
6:00 P.M.
Meeting Room
Town Administrative Offices
91 Ashfield Road
Atherton, California
Special Meeting

ROLL CALL Lewis, Dobbie, Marsala, McKeithen, Carlson

PUBLIC COMMENTS

None

REGULAR AGENDA

- 1. GASB 45 ACTUARIAL VALUATION OF POST-EMPLOYMENT
HEALTHCARE PROGRAM ACCRUED OBLIGATIONS**
Report: Finance Director Louise Ho

Finance Director Louise Ho introduced Doug Tokerud of Nicolay Consulting Group to the Council.

Doug Tokerud gave a presentation of GASB 45 valuation of post-employment healthcare program accrued obligations. Tokerud informed the Council that to comply with GASB 45, Nicolay Consulting Group prepared an actuarial study to estimate future liability for retiree medical coverage. Nicolay Consulting Group determined that as July 1, 2009, the Town has an "Unfunded Actuarial Accrued Liability" (UAAL) of \$7,750,968. This actuarially determined liability is based on a number of assumptions, including a 4% discount rate and amortization over the longest permissible period, 30 years. Having estimated the total cost of already earned retiree medical benefits, the actuaries then calculated the annual required contribution (ARC) to meet this liability. The Town of Atherton's ARC is \$813,147, with funding to start in fiscal year 2009-10. In contrast, under the "pay-as-you-go" accounting, the Town's premium for retiree medical insurance was \$97,200 for FY 2008-09 and will be \$178,000 for FY 2009-10. GASB 45 requires that the actuarial valuation report for the Town to be updated every three years, at which time a new ARC is calculated. The next update will be FY 2011-12, to be implemented FY 2012-13.

Finance Director Louise Ho informed Council that approval of GASB 45 is on the May 20th regular agenda.

PUBLIC COMMENT

None

ADJOURN

Mayor Carlson adjourned the meeting at 6:55 p.m.

Respectfully submitted,

**Theresa DellaSanta
Deputy City Clerk**