



Item No. 4 Town of Atherton

FINANCE COMMITTEE STAFF REPORT

TO: FINANCE COMMITTEE

FROM: ROBERT BARRON III, FINANCE DIRECTOR

DATE: MARCH 21, 2017

SUBJECT: CONTINUED DISCUSSION OF THE TOWN OF ATHERTON 2016 ACTUARIAL VALUATION OF POSTEMPLOYMENT HEALTH CARE PROGRAM; PRESENTATION BY CHAIR AND TOWN STAFF; IF APPROPRIATE RECOMMEND TO COUNCIL TO ADOPT THE OPEB VALUATION REPORT.

RECOMMENDATION

- 1) Review and discuss presentation by chair and staff on the Town of Atherton 2016 Actuarial Valuation of Postemployment Healthcare Program;
- 2) If appropriate recommend to City Council to adopt OPEB Valuation Report.

BACKGROUND

The Finance Committee at its November 15, 2016 meeting, reviewed a presentation by Nicolay Consulting on the postemployment health care program (OPEB) report. There were additional questions and concerns following the presentation. The committee agreed that staff and the chair would further meet with the consultant to discuss the report to further get clarification and understanding on the report. There were concerns regarding the following:

- ASOP 6 Rule –Implicit Subsidy
- OPEB Actuarial Liability-ARC

Staff and the Finance committee chair met with Nicolay consulting in December to discuss and get a better understanding of the valuation report. A powerpoint presentation will be conducted during the Finance committee meeting to further highlight and clarify the November 15, 2016 OPEB presentation. After the presentation, if appropriate, recommend to City Council to adopt OPEB Valuation Report.

FISCAL IMPACT

The new refresh of the OPEB Valuation report highlights the implementation of ASOP 6, changes to the Employee Census data and contributions to the PARS Trust. The additional fiscal impact

CONTINUED DISCUSSION OPEB VALUATION REPORT

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would be funding the new ARC within the report and understanding the implicit subsidy impact on the OPEB long term liability.

ATTACHMENT

None