



Memo

To: Honorable Mayor Armitage; City Council
From: Eric E. Smith, Finance Director/Treasurer
Date: Apr 18, 2022
Re: Staff report on OPEB Actuarial Services

Background

In 2017, the State of Michigan passed PA 202 increasing the funding and reporting requirements for local governments who provide other post employment benefits (OPEB). These requirements were in addition to financial reporting requirements added by the Government Accounting Standards Board (GASB) with GASB 74 & 75 for OPEB plans. The City will need an OPEB actuarial to stay in compliance with both the State of Michigan and GASB standards. The actuarial had previously been provided to the City as part of the audit preparation services provided by Rehmann Robson. Per Section 2-178e of the Municipal code, the purchase of professional services does not require competitive bidding. The City received quotes from the following three actuarial firms.

<u>Firm</u>	<u>Actuarial Amount</u>	<u>Valuation Roll Forward (req. off years)</u>
Watkins Ross	\$4,300.00	\$1,400.00
CBIZ	\$5,500.00	\$1,375.00
Gabriel, Roeder, Smith & Co.	\$7,000.00	\$4,500.00

Recommendation

City Council should approve and direct the Finance Director/Treasurer to obtain OPEB actuarial services with Watkins Ross for fiscal year ending June 30, 2022 and roll forward for June 30, 2023.

Financial Impacts

The quoted amount of \$4,300 would come from the Professional Services account in the Finance & Treasury department. The Valuation Roll Forward is a future charge in 2023.

Suggested Motion

City Council approves and directs the Finance Director/Treasurer to obtain OPEB actuarial services with Watkins Ross with funds available in the Professional Services account.