

To: MCCMC Pension & OPEB Reform Committee

From: Larry Chu

Date: February 28, 2011

RE: Summary of Business Items for February 28, 2011 Meeting

1. Pension benefit data – Emmett O’Donnell

The subcommittee has completed the survey for updating the matrix of pension benefits.

2. Other Post Employment Benefit data – Mike Kelly

Updated data pending.

3. Financial impact study – Larry Chu

The subcommittee spoke with John Bartel and reviewed the work and methodology for the study performed for the City of Sausalito by Bartel & Associates.

The Bartel study will look at the funded status and tell each participant what they should be contributing. The funding status will be evaluated not only on an actuarial basis, but also a market basis by bringing in more recent data that can be sensitive on the outcome of investment returns. The result will produce the funded status in a more detailed and understandable format.

The cost of the study might seem to be based on the number of employees or the amount of money in the plan, but the primary variable cost is in getting good data to put into the model. That effort is virtually equal to any participant in the study.

The estimated cost of a study is approximately \$3,500 per participant. The City of Novato has already been in contact with Bartel. Bartel will also be providing additional references for similar studies done for other cities.

4. Toolkit of actions – Jeanne MacLeamy

Updated matrix pending.

5. Draft of Report to the MCCMC

The initial deliverable back to the MCCMC membership is a report with the following information and findings:

- Introduction to the problem
- Compilation of the current pension and OPEB benefits by the cities/towns
- Toolkit of alternatives
- Proposal and scope of an independent third party analysis of the (1) assets and liabilities and (2) the funded status for all plans
- List of policy issues to be discussed at a regional or statewide level

A draft of a report is to be presented to the committee at the committee's March 28th meeting, finalized at the meeting on April 25th, and released to the MCCMC at its April 27th meeting.

6. Schedule next meeting

The next meeting will be 3/28. The Larkspur City Hall council chambers will not be available that night. Corte Madera Recreation Center or the conference room at the Corte Madera Town Center will be possible alternate meeting places.