



**CITY OF ST. CLAIR REQUEST FOR PROPOSALS  
ACTUARIAL VALUATION FOR “OTHER POST-EMPLOYMENT BENEFITS (OPEB)”**

The City of St. Clair (“City”) is requesting proposals for conducting an actuarial study to comply with the requirements of Statements No. 74 and 75 of the Governmental Accounting Standards Board (“GASB”), in order to evaluate its post-employment retiree health care funding system. The City will accept proposals until close of business on November 06, 2020 at:

The City of St. Clair  
Attn: City Accountant  
547 N Carney Drive  
St. Clair, MI 48079

Electronic submissions to [ahart@cityofstclair.com](mailto:ahart@cityofstclair.com) will also be accepted. Requests for clarification or information about the requirements for this study may be directed to Amy Hart, City Accountant, at the above email address or by calling (810) 329-7121. The City reserves the right to accept or reject any or all proposals, or any parts of same, to waive any irregularities, to request additional information and to accept any proposal in their own best interest. The expected bid award date is November 16, 2020. There will be no formal bid opening.

**Background Information – City of St. Clair:**

Retiree health care is offered to former and current employees, and to their spouses, at the same level as benefits provided to active employees, until both the retiree and spouse reach age 65 or the age of Medicare eligibility, whichever is later. Pursuant to a collective bargaining agreement with the Police Officer Labor Council, there are two tiers of eligibility for this benefit, depending on hire date. Police employees hired after May, 6, 2016 are not eligible to receive this benefit. AFSCME employees and non-bargaining employees are currently eligible to receive retiree healthcare.

The City does not self-insure health care coverage for employees and retirees. Retirees and their spouses are offered medical, dental, vision, and prescription drug coverage, currently through a Blue Cross Blue Shield PPO plan, and may be required to participate in premium cost share.

In March 2020, the City created a trust with the Municipal Employees Retirement System of Michigan (MERS). As of July 31, 2020, the City had \$550,000 in assets invested with MERS. There are thirteen retirees and twelve spouses currently covered by retiree health care insurance, and the City has elected to pay these costs out of its current operating budget. There are eighteen active employees who are or may become eligible for retiree health care benefits in the future. There are six employees who are eligible for retiree health care and were hired after July 1, 2018. The City is required to fund the normal costs for these employees on an annual basis. The City’s fiscal year begins on October 1<sup>st</sup>.

**Scope of Services:**

The successful bidder will be expected to prepare an actuarial valuation for the City for retiree health care benefits that comply with the requirements of GASB No. 74 and GASB No. 75, including liabilities for present and future retirees. The valuation will provide the following:

- A measurement of the actuarial liability as of the valuation date (09/30/2020);
- The annual required contribution for the fiscal years starting October 1, 2020 and October 1, 2021, presented as a level dollar amount;
- Net obligation for disclosure in the City's annual financial statements;
- All information necessary to satisfy reporting required by Michigan Public Act 202 of 2017, including information necessary for proper completion of Michigan form 5572, Retirement System Annual Report;
- Specifically calculate the normal cost for employees hired after July 1, 2018;
- Optional at the discretion of the City: A benefit projection and sensitivity analysis. Please bid this as a separate line item.
- Optional at the discretion of the City: A roll-forward valuation to use for GASB compliance purposes for the valuation year ending 9/30/2021. Please bid this as a separate line item.

**Composition of the Bids**

The bid packages should include the following information:

- A not to exceed cost for the required elements listed under the scope of services;
- A not to exceed cost for the optional element listed under the scope of services;
- An anticipated work plan that includes the time expected for completion of the project after all required information is received from the City by the bidder;
- The hourly rate and travel costs that would be charged if the bidder is expected to attend meetings or perform other activities outside of the scope of services
- The professional qualifications of the firm and lead actuary, including any certifications and the organizations of which he/she is a member.
- A list of at least three client references relating to the valuation of OPEB, and the number of clients for whom the firm has done OPEB valuations.
- A sample valuation report.