THE CHANCELLOR RECOMMENDS:
That the Board of Trustees authorizes the Chair, upon final approval of the General Counsel of the legal form of such agreements, to execute an agreement with Mitchell I. Serota & Associates, Inc. to provide actuarial services for a period beginning July 1, 2018 through June 30, 2021, at a total cost not to exceed $100,000 for the contract term.

5215 Old Orchard Road, Suite #750
Skokie, IL 60025

USER: District Wide

TERM:
The term of the agreement shall commence no sooner than July 1, 2018 and will continue through June 30, 2021.

SCOPE OF SERVICES:
The Office of Finance has utilized Mitchell I. Serota & Associates, Inc. in an amount under $25,000 to perform actuarial analyses. It is advantageous to the District to continue to utilize Mitchell I. Serota & Associates, Inc. to provide actuarial services to the District including but not limited to analyzing the District’s Early Retirement Medical and Life Insurance Plans, Sick Pay Plan, Healthcare IBNR Plans, healthcare cost projections and provide actuarial report for fiscal year 2018-2020. The services provided must be in accordance with the actuarial standards of the American Academy of Actuaries and the Governmental Accounting Standards Board (GASB).

The Early Retirement Medical or OPEB data (Other Post-Employment Benefits) should include but not limited to the number of participants as of the end of each fiscal year, the average age, average salary and the liability will be broken out for medical, vision, dental and life insurance. The data for the Early Retirement Sick Pay should include the number of participants as of the end of the fiscal year, the average age, average salary and the liability should be broken out in short and long term obligations for active and retirees with projections of future payout.
requirements. Services for the medical healthcare cost and IBNR (Incurred but Not Reported) plans should include a description of the calculations, method used, data, multiple models and various actuarial assumptions used to estimate these costs for a total year-end liability.

**BENEFIT TO CITY COLLEGES OF CHICAGO:**
Mitchell I. Serota & Associates, Inc. will provide actuarial analysis based on various assumptions related to the District’s Early Retirement Medical and Life Insurance plans, Sick Pay plans and the Healthcare IBNR plans. The use of this firm will allow continuity and comparative analyses.

**VENDOR SELECTION CRITERIA:**
Mitchell I. Serota & Associates, Inc. was selected based upon the high degree of professional skill necessary for these services and is therefore, pursuant to State law, exempt from the District’s competitive bidding requirements.

**MBE/WBE COMPLIANCE:**
The Office of Contract Compliance has reviewed the proposed agreement and recommends a waiver of the Board Approved Participation Plan due to the nature of the services (actuarial) and the absence of subcontracting opportunities.

**GENERAL CONDITIONS:**
Inspector General – It shall be the duty of each party to the agreement to cooperate with the Inspector General for City Colleges of Chicago in any investigation conducted pursuant to the Inspector General’s authority under Article 2, Section 2.7.4(b) of the Board Bylaws.

Ethics – It shall be the duty of each party to the agreement to comply with the applicable provisions of the Board’s Ethics Policy adopted January 7, 1993, and as amended by the Board.

Contingent Liability – Pursuant to Section 7-14 of the Illinois Public Community College Act, all agreements authorized herein shall contain a clause that any expenditure beyond the current fiscal year is subject to appropriation in the subsequent fiscal year.

**FINANCIAL**
- **Total:** $100,000
- **Charge to:** Office of Finance
- **Source of Funds:** Audit Fund
- **FY19:** 530000-04001-0010105-80000

Respectfully submitted,

Juan Salgado,
Chancellor

March 7, 2019 – Office of Finance