

**RESOLUTION NO. R2024-29**

**A RESOLUTION BY THE CITY COUNCIL OF THE CITY OF BURNET, TEXAS, APPROVING A BIENNIAL AGREEMENT WITH GABRIEL, RODER, SMITH AND COMPANY FOR ACTUARIAL SERVICES PER THE MASTER AGREEMENT AND AUTHORIZING THE CITY MANAGER TO EXECUTE SAID ENGAGEMENT LETTER ON BEHALF OF THE CITY**

**Whereas**, To comply with the requirements of Governmental Accounting Standards Board (GASB) Statement No. 75, the City is required to use an actuarial valuation to measure their Other Post-Employment Benefit (OPEB) liabilities.

**Whereas**, The City has reviewed the attached engagement letter received from GRS and it has been determined that the services as detailed in the agreement are appropriate to meet the accounting and financial reporting requirements for the City as established by GASB Statement No. 75.

**Whereas**, The City plans to enter into a biennial agreement with GRS to prepare the annual actuarial valuation reports for OPEB for Fiscal Years 2024 and 2025.

**NOW, THEREFORE, BE IT RESOLVED BY CITY COUNCIL OF THE CITY OF BURNET, TEXAS, THAT:**

**Section one. Findings.** The recitals to this resolution are deemed to be the findings of City Council and incorporated herein for all purposes.

**Section two. Approval.** The Gabriel, Roder, Smith and Company engagement letter and master agreement attached hereto are hereby approved.

**Section three. Authorization.** The City Manager is hereby authorized and directed to execute the attached engagement letter and to take such other actions reasonably necessary to facilitate the purpose of this resolution.


**Section four. Open Meetings.** It is hereby officially found and determined that the meeting at which this resolution was passed was open to the public and that public notice of the time, place and purpose of said meeting was given as required by the Texas Open Meetings Act.


**Section five. Effective Date.** That this resolution shall take effect immediately upon its passage, and approval as prescribed by law.

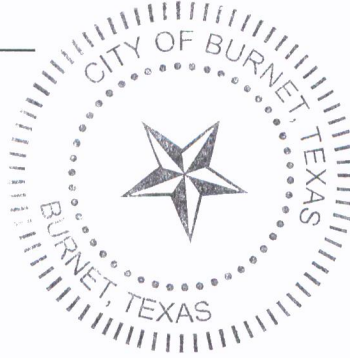
**PASSED AND APPROVED** this the 23rd day of April 2024.

**CITY OF BURNET, TEXAS**

ATTEST:

  
\_\_\_\_\_  
Gary Wideman, Mayor

  
\_\_\_\_\_  
Kelly Dix, City Secretary





April 2, 2024

Ms. Patricia Langford  
Director of Finance  
City of Burnet  
P.O. Box 1369  
Burnet, TX 78611

**Re: Engagement Letter for the December 31, 2023 OPEB valuation and the GASB 75 Valuation Reports for fiscal years ending 2024 and 2025.**

Dear Ms. Langford,

The following is a pricing quote for a GASB 75 actuarial valuation under the Shared Services arrangement provided by Gabriel, Roeder, Smith & Co (GRS) and North Central Texas Council of Governments (NCTCOG).

Based on the information you provided, the cost of services for City of Burnet is \$11,455. This price is based on receiving data in the standard GRS format and using the following assumptions:

Pricing Category	Pricing Parameters	Fee
Annual or Biennial	Biennial	
Number of Participants	< 100 participants	\$10,765
Claims Analysis Required	No	\$0
Health Plans	1. HDHP 2. PPO	\$690
Retirement Plans	1. TMRS	\$0
Life Insurance Benefit	No	\$0
Implicit Subsidy Only Discount	Not Eligible	\$0
Plan Change Not Previously Valued	No	N/A
OPEB Trust or Equivalent Arrangement	No	N/A
Single Discount Rate Test	No	\$0
Plan Only Reporting Package	No	\$0
Cost Sharing Schedules for Primary Government and Component Units	No	\$0
Calculation of an Actuarially Determined Contribution	No	\$0

**Total \$11,455**

### **Basic Services**

- Actuarial valuation of employer OPEB in compliance with the requirements of GASB Statements No. 74 and No. 75. The valuation report will include, but is not limited to, the following:
  - > The updated Total OPEB Liability, based on the appropriate discount rate for the reporting period.
  - > A reconciliation of the Total OPEB Liability, which shows, among other items, the impact of benefit changes, assumption changes, and demographic gains/losses separately.
  - > The OPEB expense and supplementary information required by GASB 75.
  - > The characteristics of covered active members, retirees, and beneficiaries and other information required for the note disclosures.
  - > A statement of outflows and inflows arising from the current reporting period.
  - > A statement of outflows and inflows to be recognized in future OPEB expense.
  - > A sensitivity analysis providing the Total OPEB Liability based on a 1% higher and 1% lower discount rate.
  - > A sensitivity analysis providing the Total OPEB Liability based on a 1% higher and 1% lower health care trend assumption.

### **Billing Schedule**

GRS pricing assumes 30% paid upon acceptance by the government of the engagement, 40% upon delivery of the draft full valuation, and 30% upon delivery of the draft roll-forward report in the second year.

The Master Agreement allows for automatic fee increases based on changes in the Consumer Price Index (CPI), starting in January of 2019. Any CPI related increases will not apply to the fees in this schedule until the next valuation cycle. In March 2023, the NCTCOG approved an amendment with an updated fee schedule to better align fees with services provided.

**Basic Options Study**

It is anticipated that City of Burnet may want to consider options for mitigating its OPEB liability. Basic Options studies would include alternative discount rates, alternative healthcare trend rates, benefit capitations, and changes in retiree cost sharing. The cost for a Basic Options study will be \$1,570 per study.

Fees for plan redesign studies that are not considered basic will be communicated after the specifics of the proposed plan changes are discussed.

**Additional Services**

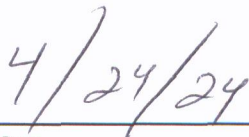
Fees for additional consulting services not included under Basic Services or included in the fixed fee Options studies will be priced separately upon request and will be based on the following hourly rates:

<u>GRS Resource Classification</u>	<u>Hourly Rates</u>
Lead Actuary	\$400
Actuarial Staff	\$255
Support Staff	\$225


A copy of this engagement letter will be made a part of the master agreement between City of Burnet and GRS.

CITY OF BURNET, TX

  
\_\_\_\_\_

  
\_\_\_\_\_  
Date

GABRIEL, ROEDER, SMITH & COMPANY

  
\_\_\_\_\_  
Daniel J. White, Vice President

\_\_\_\_\_  
4/2/2024  
Date

AMENDMENT #5  
to  
**MASTER SERVICES AGREEMENT #2017-02**  
**OTHER POST EMPLOYMENT BENEFITS (OPEB) ACTUARIAL VALUATIONS**

This AMENDMENT to the **MASTER SERVICES AGREEMENT FOR OTHER POST EMPLOYMENT BENEFITS ACTUARIAL VALUATIONS** ("Amendment") is made and entered into as of the Effective Date stated herein, by and between the **NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS**, a Texas non-profit corporation, hereinafter referred to as "**NCTCOG**", and **GABRIEL, ROEDER, SMITH & COMPANY**, hereinafter referred to as "**Service Provider**", (collectively, "the Parties").

**WHEREAS**, the Parties entered into a **MASTER SERVICES AGREEMENT FOR OTHER POST EMPLOYMENT BENEFITS ACTUARIAL VALUATIONS** on June 13, 2017, (the "Original Contract").

**WHEREAS**, Article VII of the Original Agreement allows for amendments to the Original Agreement.

**WHEREAS**, Article VI of the Original Agreement allows for two additional two-year renewal periods.

**WHEREAS**, the Parties agree to revise Attachment B, by executing an adjustment of fees pursuant to Subsection D, Pricing Assumptions.

**NOW, THEREFORE**, in consideration of the mutual covenants expressed herein, each of NCTCOG and the Service Provider mutually covenant and agree as follows:

- Exercise the first two-year optional renewal period, extending the Original Agreement to June 12, 2025.
- The Parties agree to revise Attachment B, by executing an adjustment of fees pursuant to Subsection D, Pricing Assumptions. Fees will be increased by 5.0% in 2023 and by 3.5% in 2024.

Year	Fee Increase
2023	5%
2024	3.5%

This Amendment binds and benefits both Parties and any successors or assigns. This document, including the Original Agreement, is the entire agreement between the Parties.

All other terms of the Original Contract remain unchanged.

IN WITNESS WHEREOF, the Parties have executed this Amendment at Arlington, Tarrant County, Texas the 29 day of March, 2023 (the "Effective Date").

**GABRIEL, ROEDER, SMITH & COMPANY**

*Daniel J White*  
Signature

Daniel J White  
Printed Name

**NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS**

DocuSigned by:  
*Mike Eastland*  
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Signed

R. Michael Eastland  
Executive Director