

MINUTES

BE IT REMEMBERED, That on this 18TH DAY of JUNE, 2015, Commissioners Court of Fort Bend County, Texas, met at a special meeting with the following present:

ROBERT E. HEBERT	COUNTY JUDGE
RICHARD MORRISON	COMMISSIONER PRECINCT 1
GRADY PRESTAGE	COMMISSIONER PRECINCT 2
ANDY MEYERS	COMMISSIONER PRECINCT 3
JAMES PATTERSON	COMMISSIONER PRECINCT 4
LINDA WILLIS FOR LAURA RICHARD	COUNTY CLERK

When the following were heard and the following orders were passed:

1. **Call to Order.**
Call to Order by Judge Hebert at 2:41 p.m.
2. **Conduct workshop to discuss Other Post Employment Benefits (OPEB - Retiree Healthcare Coverage Liability).**

Ed Sturdivant, County Auditor, introduced Jake Pringle from Milliman. He stated that Mr. Pringle's presentation would be focused on methods of calculation to help the court understand the liability for OPEB (Other Post Employment Benefits).

Mr. Pringle spoke about GASB 45(Government Accounting Standards Board) and the new standards for OPEB. Fort Bend County has been reporting under the new standard since 2008. Under GASB there is an obligation to pay medical benefits in retirement. The purpose of this standard is for the employers to account for the liability on their books while an employee is working for that employer and while they are truly earning that benefit. The true cost of future benefits needs to be measured, evaluated and reflected in financial statements. This is for all of the OPEB benefits that an employer might provide such as medical, dental, vision, hearing, disability, life insurance and long-term care. Evaluations for Fort Bend County have been done every two years since Fiscal Year 2008. The four inputs that are looked at during an evaluation are: participant data, plan provisions, claims data and actuarial methods and assumptions.

Item 2 continued - Workshop:

Some potential steps that Fort Bend County could take to fund OPEB are:

Continue with no change to the plan - (Continue to pay as you go.)

Change the benefits structure - (Increase deductibles or increase co pays to make medical benefits cheaper.)

Change eligibility requirements - (Fort Bend County has already done this for 2010 and later new hires and could do something similar.)

Pre-fund OPEB benefits - (By putting some portion of the annual cost in a Trust Fund; you will be able to use a higher discount rate which would lower your liability.)

Alter cost sharing provisions - (Increase the Retiree contributions.)

Judge Hebert stated that if the Court takes reasonable steps, it could be a credit enhancement. He also stated that the pragmatic approach is to do something now.

3. **Adjournment.**

Commissioners Court Special Meeting adjourned at 4:04 p.m. on Thursday, June 18, 2015.