

**RESOLUTION
ROCK COUNTY BOARD OF SUPERVISORS**

Finance Committee
INITIATED BY

Finance Committee
SUBMITTED BY



Sherry Oja, Finance Director
DRAFTED BY

February 13, 2018
DATE DRAFTED

Approval of Contract for OPEB Actuarial Services

- 1 **WHEREAS**, the Governmental Accounting Standards Board (GASB) sets financial reporting rules for
- 2 governments.
- 3
- 4 **WHEREAS**, GASB requires governments to obtain an actuarial valuation of Other Post-Employment
- 5 Benefits (OPEB) at least every two years; and,
- 6
- 7 **WHEREAS**, Rock County's last OPEB valuation was for FY2015 and FY2016, so therefore is
- 8 required to obtain an OPEB valuation for FY2017 and FY2018; and'
- 9
- 10 **WHEREAS**, GASB has new rules that take effect as of FY2018, therefore, Rock County must obtain
- 11 two separate valuations for this biennium.
- 12
- 13 **WHEREAS**, Gabriel, Roeder, Smith & Company (GRS) is a nationally recognized actuarial firm and
- 14 has offered to complete our OPEB valuation for \$10,000 for FY2017 and \$5,000 for FY2018.
- 15
- 16 **NOW, THEREFORE, BE IT RESOLVED**, that the Rock County Board of Supervisors duly
- 17 assembled on this 22nd day of February, 2018 hereby authorizes a contract with GRS for
- 18 OPEB actuarial services for FY2017 and FY2018 in the amount of \$15,000.

Respectfully Submitted,

FINANCE COMMITTEE

Mary Mawhinney
Mary Mawhinney, Chair

Sandra Kraft
Sandra Kraft, Vice Chair

Mary Beaver
Mary Beaver

Brent Fox
Brent Fox

J. Russell Podzilni
J. Russell Podzilni

FISCAL NOTE:

After carryover of FY2017 funds, sufficient funds will be available for this contract.

Sherry Oja

Sherry Oja
Finance Director

LEGAL NOTE:

County Board is authorized to take this action pursuant to sec.59.01 and 59.51, Wis. Stats.

Richard Greenlee
Richard Greenlee
Corporation Counsel

ADMINISTRATIVE NOTE:

Recommended.

Josh Smith
Josh Smith
County Administrator

18-2B-454

Executive Summary

Approval of Contract for OPEB Actuarial Services

The Governmental Accounting Standards Board (GASB) sets the financial reporting rules for government. Per GASB, governments must report their Other Post-Employment Benefits (OPEB) liability. OPEB liabilities are costs that the government entity has promised to pay on employees behalf in the future. Rock County's OPEB liability consists of:

- Health insurance provided to Deputy Sheriffs and Deputy Sheriff's Supervisor retirees and their dependents.
- Costs for other retirees who opt to pay 100% of their health insurance premiums until age 65.
- Costs for eligible employees participating in the Post Employment Health Plan (PEHP) to pay for healthcare premiums upon retirement.

For fiscal years 2007-2016, GASB required valuations of OPEBs to be included in the entity's financial statement notes. GASB allowed each actuarial valuation to be used for two fiscal years. Rock County' last OPEB valuation report was for FY2015 and FY 2016. Therefore, the County is due for an evaluation for the FY2017 and FY2018 time period. Unfortunately, GASB changed the rules starting with the FY2018 financial statements. For FY2018 on, entities have additional reporting requirements, including adding OPEB liability to the face of the financial statements (not just the notes). Since the rules are different for FY2017 than FY2018, we are required to obtain a separate valuation for each year.

Gabriel, Roeder, Smith & Company (GRS) is a nationally recognized actuarial firm with the expertise to complete the valuation under the old and current rules. GRS has offered to complete our OPEB valuations for \$10,000 for FY2017 and \$5,000 for FY2018.