



February 22, 2018

Ms. Amy Good  
Finance Director  
City of Pflugerville  
100 East Main Street; Suite 100  
Pflugerville, TX 78691

**Re: Engagement Letter for Initial GASB 75 OPEB Valuation for City of Pflugerville**

Dear Ms. Good,

You have requested 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).

The initial GASB 75 report, based on a roll-forward of the December 31, 2016 GRS OPEB Valuation for the City of Pflugerville, is \$2,500.

**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 100% paid upon acceptance by the government of the final report.

A copy of this engagement letter will be made a part of the Master Agreement between City of Pflugerville and GRS.

CITY OF PFLUGERVILLE, TX

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Date

GABRIEL, ROEDER, SMITH & COMPANY



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Mehdi Riaz, Consultant

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2/22/2018  
Date