

Exhibit A

Exhibit A

Scope of Services for the Retiree Medical Program

Buck Consultants has been asked to assist DeKalb County with redesigning their retiree medical program to achieve a cost reduction. We will provide strategic advice and alternate approaches to meet this objective. We will also partner with the current actuary, who will continue to opine on your GASB liability. The following is our project plan and fee schedule to work with you to achieve this goal.

During the term and subject to the conditions set forth in the accompanying Agreement, Buck Consultants will provide the following Services to Client:

Phase I - Benchmarking

Buck Consultants will conduct a benchmarking study of other public entities' retiree medical programs, including City of Atlanta, Fulton County and Gwinnett County. We will also consider other public entities such as Henry, Clayton, Cobb and Cherokee Counties if available.

Cost Estimate:

Deliverable and Timing	Estimated Cost
Benchmarking report: 2-4 weeks	\$ 7,000

Phase II – Data Gathering of Actuarial Valuation

The current actuary will calculate the baseline actuarial valuation liabilities and expense as of July 1, 2016 (or projected to July 1, 2016 using prior liabilities). The liabilities will be pursuant to GASB 75 (including use of EAN funding method and selection of appropriate unfunded discount rate). The liabilities will also include the most recent plan design changes. Buck Consultants will request the information when available:

- **Liabilities and Normal Costs broken out in detail, including :**
 - **Status: Actives, Deferred Vested, Retired**
 - **Member: Retiree vs. Spouse**
 - **Job Type: Public Safety, General Employees**
 - **Medicare Status: Pre-Medicare vs Medicare eligible**
 - **Gross Cost vs. Retiree Premium Sharing vs. County's Net Costs**
 - **Benefit: Medical vs. Drug vs. Life vs. Dental**
- **Sensitivity at another "funded" discount rate (perhaps 7% or rate used for Pension)**
- **Updated age and service table**

Exhibit A

Phase II (cont.)

Cost Estimate:

Deliverable and Timing	Estimated Cost
Receipt of data	\$ 1,500

Phase III – Strategic Approaches

Buck Consultants will present three to five strategic approaches to reduce DeKalb County's GASB liabilities. These approaches will include items such as:

- Changes to plan eligibility (i.e. age/service, new hires, retirees that leave the plan)
- Changes to retiree and spouse subsidies
- Plan design changes
- Medicare-eligible strategies (i.e. implement and fund HRAs)
- Review alternative premium-sharing strategies for the group Medicare and or pre-65 retiree programs.

The County will down select the three most effective options that offer more immediate savings and or that have a higher likelihood of acceptance by the Board for short and long term application and effective outcomes.

Cost Estimate:

Deliverable and Timing	Estimated Cost
Report describing approaches with pros and cons and estimated magnitude of cost savings: 3 weeks	\$ 8,500

Exhibit A

Phase IV – Cost Savings / Report

Based on the feedback from the County, Buck Consultants will estimate the cost savings attributable to the three top strategic approaches. Buck Consultants will provide the current actuary the information needed to estimate the impact of the GASB liabilities and expenses, and the current actuary will opine on the long-term GASB liability.

Cost Estimate:

Deliverable and Timing	Estimated Cost
Report to present the cost savings associated with each of the three approaches: 4-6 weeks	\$ 10,000

Phase V – Final Results / Presentation

Once liabilities are received from current actuary, Buck Consultants will produce final report outlining the cost savings and GASB impact associated with each approach. The report will include the pros and cons including administration and funding implications.

Cost Estimate:

Deliverable and Timing	Estimated Cost
Report to present to the Board of Commissioners: 2 weeks	\$ 10,000

Exhibit B

Exhibit B

Schedule of Fees

Buck Consultants will provide the services outlined in Exhibit A on a time and expense basis, subject to a not-to-exceed fee of \$37,000. If the actual time needed to provide such services results in fees of less than the maximum, then the lower fee would apply. The fees can be broken down as follows:

Phase I - Benchmarking	\$ 7,000
Phase II - Data Gathering of Actuarial Valuation	\$ 1,500
Phase III - Strategic Approaches	\$ 8,500
Phase IV - Cost Savings Report	\$ 10,000
Phase V - Final Results/Presentation	\$ 10,000
Total	\$ 37,000
Discount	(\$ 22,200)
Net	\$ 14,800

The above includes all travel and related expenses. We can discount the above fees for the portion of the study that is weighted by the Medicare retirees and the funding budget from the Aetna MAPD program. We estimate that 60% of the above fees will be discounted, or \$22,200, and the County's invoice/fees for the non-Medicare retirees' portion will be \$14,800.

Please note that our role is not to review or confirm the County's current actuary's reports or results, rather, we will rely on results and assistance in preparing the initial baseline updates, isolation of certain data on portions of the County's population, and to prepare financial results for the top three OPEB strategies provided by Buck's team. The current actuary will continue to opine on the long-term GASB valuation.