



Hotsheet

March 2010

ONE OF THE LARGEST TEXAS CITIES FUNDS GASB 45 OPEB LIABILITY WITH PARS

Join these Texas Municipalities in a PARS Retirement Plan:

City of Beaumont
 City of Coppell
 City of Duncanville
 City of Euless - *OPEB*
 City of Fort Worth - *OPEB*
 City of Garland - *OPEB*
 City of Grand Prairie
 City of Grapevine
 City of Haltom City - *OPEB*
 City of Hurst - *OPEB*
 City of Irving
 City of La Porte
 City of Longview
 City of Mansfield - *OPEB*
 City of Mesquite
 City of North Richland Hills - *OPEB*
 City of Rowlett
 City of San Angelo
 City of Southlake - *OPEB*
 City of Tyler - *OPEB*
 City of Watauga
 County of Dallas

The City of Fort Worth is the most recent Texas municipality to adopt the PARS OPEB Trust to pre-fund their post-retirement healthcare obligations (“OPEB”). Although public agencies are not required to pre-fund, Fort Worth is funding the cost of benefits now and leveraging interest earnings during the working years of the employee, instead of paying a higher cost for the benefit after an employee has retired.

CITY OF FORT WORTH'S STORY

The City of Fort Worth created a selection committee that undertook a vendor review process before unanimously choosing PARS. Fort Worth is investing in the PARS Trust to yield a long-term higher rate of return which will reduce their retiree healthcare liability cost in the future. The selection committee was attracted to the flexible investment approach offered by the PARS OPEB Trust, in which the City can delegate investment discretion to the trustee, Union Bank. This will reduce the City's fiduciary risk while ensuring safe, professional management of these important assets.

The City's 2008 actuarial valuation showed an unfunded accrued liability for retiree healthcare of \$985 million. The City has made an initial contribution of \$5 million and plans to increase funding into the trust as the economy and budget improves over time.

THE PARS OPEB TRUST

Many governmental agencies are joining the PARS OPEB Trust program to comply with GASB 45 standards. The advantages of the PARS approach are:

- 17 years of successful OPEB trust experience with Union Bank as Trustee and Investment Manager
- IRS-approved IRC Section 115 trust vetted by prominent Texas counsel
- Maximum fiduciary protection
- Investment flexibility on strategy and risk tolerance
- Highest degree of personal service
- 90-day termination option

FOR MORE INFORMATION ON HOW PARS CAN ASSIST YOUR AGENCY, CONTACT:

- MITCH BARKER, EXECUTIVE VICE PRESIDENT
AT 800.540.6369 x 116 OR AT
MBARKER@PARS.ORG
- DON PASCHAL, MUNICIPAL CONSULTANT
AT 214.726.6559 OR AT
DON@PASCHALCONSULTING.COM

VISIT PARS ONLINE WWW.PARS.ORG

PARS has provided retirement plan design and administration for 27 years and serves governmental agencies exclusively. PARS began providing OPEB consulting services in 1994. Union Bank, the PARS Trustee, has provided services to post-retirement healthcare plans for 17 years. The program provides OPEB Trust services to more than 70 public agencies.

Contact us today to see how PARS can help your public agency begin to address its OPEB obligations in the most cost-effective way.

**For more information on Fort Worth's plan and others,
please contact:**

**Mitch Barker, Executive Vice President, PARS at:
(800) 540 - 6369 ext 116 or
mbarker@pars.org**

**Don Paschal, Municipal Consultant at:
(214) 726-6559 or
don@paschalconsulting.com**

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The contents of this publication reflect PARS' understanding of the facts.

Before taking any action based on this information,

we recommend that you consult professional advisors regarding your agency's specific objectives and circumstances.

**PARS also offers
Texas Public Agencies:**

Alternate Retirement Plans (ARS)
A cost-saving alternative to Social Security for part-time, seasonal and temporary (PST) employees.

Supplemental Retirement Plans
A 401 (a) Defined Contribution plan to complement existing employer sponsored plans.

Contact PARS today!

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Making retirement work for you.

PARS
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4350 Von Karman Avenue
Suite 100
Newport Beach, CA 92660