

RECEIVED

DEC 27 2018

FI

ELLIS COUNTY AUDITOR

ELLIS COUNTY BUDGET  
2018/2019 LINE ITEM ADJUSTMENT

I am requesting that the Ellis County Commissioners' Court make necessary Line Item adjustments to my 2018/2019 Budget as follows:

TRANSFER FROM:

ACCOUNT NO.	ACCOUNT TITLE	AMOUNT
031-0931-30301-00000-000	Fund Balance	\$ 51,101.92

TRANSFER TO:

ACCOUNT NO.	ACCOUNT TITLE	AMOUNT
031-0931-50819-00000-000	Computer	\$ 51,101.92

*[Signature]* 12-27-18  
 Signature of Department Head      Date Signed

*[Signature]*  
 County Attorney  
 Department

ELLIS COUNTY COMMISSIONERS' COURT FINDS THAT THIS TRANSFER OF FUNDS IS FOR COUNTY PURPOSES AND IS AN APPROPRIATE REQUEST.

APPROVED THIS \_\_\_\_\_ DAY OF \_\_\_\_\_, 2018/2019

- \_\_\_\_\_ County Judge
- \_\_\_\_\_ Commissioner Precinct #1
- \_\_\_\_\_ Commissioner Precinct #2
- \_\_\_\_\_ Commissioner Precinct #3
- \_\_\_\_\_ Commissioner Precinct #4

Approved by County Auditor's Office:

*[Signature]* 12/28/18

F2

ELLIS COUNTY BUDGET  
2018/2019 LINE ITEM ADJUSTMENT

I am requesting that the Ellis County Commissioners' Court make necessary Line Item adjustments to my 2018/2019 Budget as follows:

TRANSFER FROM:

ACCOUNT NO.	ACCOUNT TITLE	AMOUNT
Fund-Balance 001-0000-30302	State LEO Fund Balance	47,182.51

TRANSFER TO:

ACCOUNT NO.	ACCOUNT TITLE	AMOUNT
001-0010-50820-00000-000	LEOSE Training	47,182.51

 Signature of Department Head      December 20, 2018      Date Signed      010 / SO      Department

ELLIS COUNTY COMMISSIONERS' COURT FINDS THAT THIS TRANSFER OF FUNDS IS FOR COUNTY PURPOSES AND IS AN APPROPRIATE REQUEST.

APPROVED THIS \_\_\_\_\_ DAY OF \_\_\_\_\_, 2018/2019

\_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

County Judge  
 Commissioner Precinct #1  
 Commissioner Precinct #2  
 Commissioner Precinct #3  
 Commissioner Precinct #4

RECEIVED  
 DEC 20 2018  
 ELLIS COUNTY  
 AUDITOR

Approved by County Auditor's Office:

 DeKonde Spudis 12/26/18



**CERTIFICATION OF  
BUDGET TRANSFER**

**Ellis County**

DATE: 12/26/18

The commissioners court certifies that the expenditure is necessary, due to grave public necessity, to meet and unusual and unforeseen condition which could not have been included in the original adopted budget through the use of reasonable diligent thought and attention. 001-0000-30302 To 001-0010-50820 LEOSE Trng  
\$47,182.51

The court shall file a copy of its order amending the budget with the county clerk and the clerk shall attach the copy to the original budget.

The Exemption is being claimed by Ellis County, Texas, as a Governmental Organization in accordance with Texas Local Government Code Chapter 111.010.

Failure to comply with this local government code results in an offense Sec. 111.012 Penalty. An offense under this section is a misdemeanor punishable by a fine of not less than \$100 or more than \$1,000, confinement in the county jail for not less than one month or more than one year, or by both fine and confinement.

Approved this \_\_\_\_\_ day of \_\_\_\_\_, 2018/2019

\_\_\_\_\_ County Judge

\_\_\_\_\_ Commissioner Precinct #1

\_\_\_\_\_ Commissioner Precinct #2

\_\_\_\_\_ Commissioner Precinct #3

\_\_\_\_\_ Commissioner Precinct #3

County Clerk: \_\_\_\_\_

73

ELLIS COUNTY BUDGET  
2018/2019 LINE ITEM ADJUSTMENT

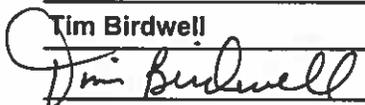
I am requesting that the Ellis County Commissioners' Court make necessary Line Item adjustments to my 2018/2019 Budget as follows:

TRANSFER FROM:

ACCOUNT NO.	ACCOUNT TITLE	AMOUNT
024-0924-50802	Equipment	\$1,000.00

TRANSFER TO:

ACCOUNT NO.	ACCOUNT TITLE	AMOUNT
024-0924-50831	Uniform	\$1,000.00

Tim Birdwell  
  
 Signature of Department Head

1/3/2019  
 Date Signed

Ellis County Fire Marshal  
 Department

ELLIS COUNTY COMMISSIONERS' COURT FINDS THAT THIS TRANSFER OF FUNDS IS FOR COUNTY PURPOSES AND IS AN APPROPRIATE REQUEST.

APPROVED THIS \_\_\_\_\_ DAY OF \_\_\_\_\_, 2018/2019

- \_\_\_\_\_ County Judge
- \_\_\_\_\_ Commissioner Precinct #1
- \_\_\_\_\_ Commissioner Precinct #2
- \_\_\_\_\_ Commissioner Precinct #3
- \_\_\_\_\_ Commissioner Precinct #4

Approved by County Auditor's Office: \_\_\_\_\_



**Department of Development Agenda Items  
Ellis County Commissioners' Court -  
Tuesday, January 8, 2019 @ 10:00 AM**

**CONSENT AGENDA**

**Agenda Item No. SP 1**

Consider & act upon an amending plat of Timber Brooks Estates, Lots 1-3. The property contains a total of  $\pm$  9.262 acres of land in the J. W. Baker Survey, Abstract No. 35 located at the southeast corner of Palmyra Road and Hunsucker Road, Red Oak, Road & Bridge Precinct No. 1.

**Agenda Item No. SP 2**

Consider & act upon a simplified plat of Houston Hills, Lots 1-4. The property contains a total of  $\pm$  13.961 acres of land in the J. Benton Survey, Abstract No. 39 located on the north side of Old Maypearl Road  $\pm$  750 feet east of Vinyard Drive, Maypearl, Road & Bridge Precinct No. 3.

**Agenda Item No. SP 3**

Consider & act upon a simplified plat of Perez Subdivision, Lot 1. The property contains a total of  $\pm$  1.497 acres of land in the James M. Riggs Survey, Abstract No. 902 located on the north side of Farrar Road  $\pm$  2,850 feet west of Sutton Road, Palmer, Road & Bridge Precinct No. 1.

**REGULAR AGENDA**

**Agenda Item No. 1.1**

Consider & act upon a final plat of Pioneer Point, Phases 3 & 4. The property contains a total of  $\pm$  70.16 acres of land in the Charles Atteberry Survey, Abstract No. 10 located on the north side of FM 66  $\pm$  400 feet west of Richard Road, in the extraterritorial jurisdiction (ETJ) of the city of Waxahachie, Road & Bridge Precinct No. 3.

**Agenda Item No. 1.2**

Consider & act upon a preliminary plat of Murray Estates. The property contains a total of  $\pm$  39.60 acres of land in the F.M. Woodward Survey, Abstract No. 1120 located on the north side of FM 879  $\pm$  1,120 feet west of Boyce First Street in the extraterritorial jurisdiction (ETJ) of the City of Waxahachie, Road & Bridge Precinct No. 1.



AGENDA ITEM NO. SP1  
Ellis County Commissioners' Court  
January 8, 2019



**SHORT TITLE:**

Amending plat of Timber Brooks, Lots 1-3.

**LEGAL CAPTION:**

Consider & act upon an amending plat of Timber Brooks Estates, Lots 1-3. The property contains a total of ± 9.262 acres of land in the J. W. Baker Survey, Abstract No. 35 located at the southeast corner of Palmyra Road and Hunsucker Road, Red Oak, Road & Bridge Precinct No. 1.



**APPLICANT:**

Tim Jackson



**PURPOSE:**

The applicant is requesting approval of this amending plat as some important survey data was inadvertently left off the previously-approved plat. There are no other changes to the lots or the plat except the addition of this missing information. Chapter 232.011 (2) of the Texas Local Government Code allows for this stating: *"to add a course or distance that was omitted on the preceding plat..."*



**HISTORY:**

The Commissioners' Court approved a simplified plat of this same property at its November 6, 2018 meeting.



**OTHER RELEVANT INFORMATION:**

**Thoroughfare Plan**

This plat continues to show a total right-of-way dedication of forty (40) feet along the centerline of Palmyra Road to convert it from prescriptive to a dedicated right-of-way, thus meeting the County's Master Thoroughfare Plan.



**ANALYSIS:**

The plat continues to meet all the requirements outlined in the regulations.



**ATTACHMENTS:**

1. Location Map
2. Amending Plat
3. Request Letter



**DEPARTMENT OF DEVELOPMENT**  
Ellis County

: [dod@co.ellis.tx.us](mailto:dod@co.ellis.tx.us)  
: 972-825-5200  
: [co.ellis.tx.us/dod](http://co.ellis.tx.us/dod)



**RECOMMENDATION:**

Staff recommends approval of this request, as presented.

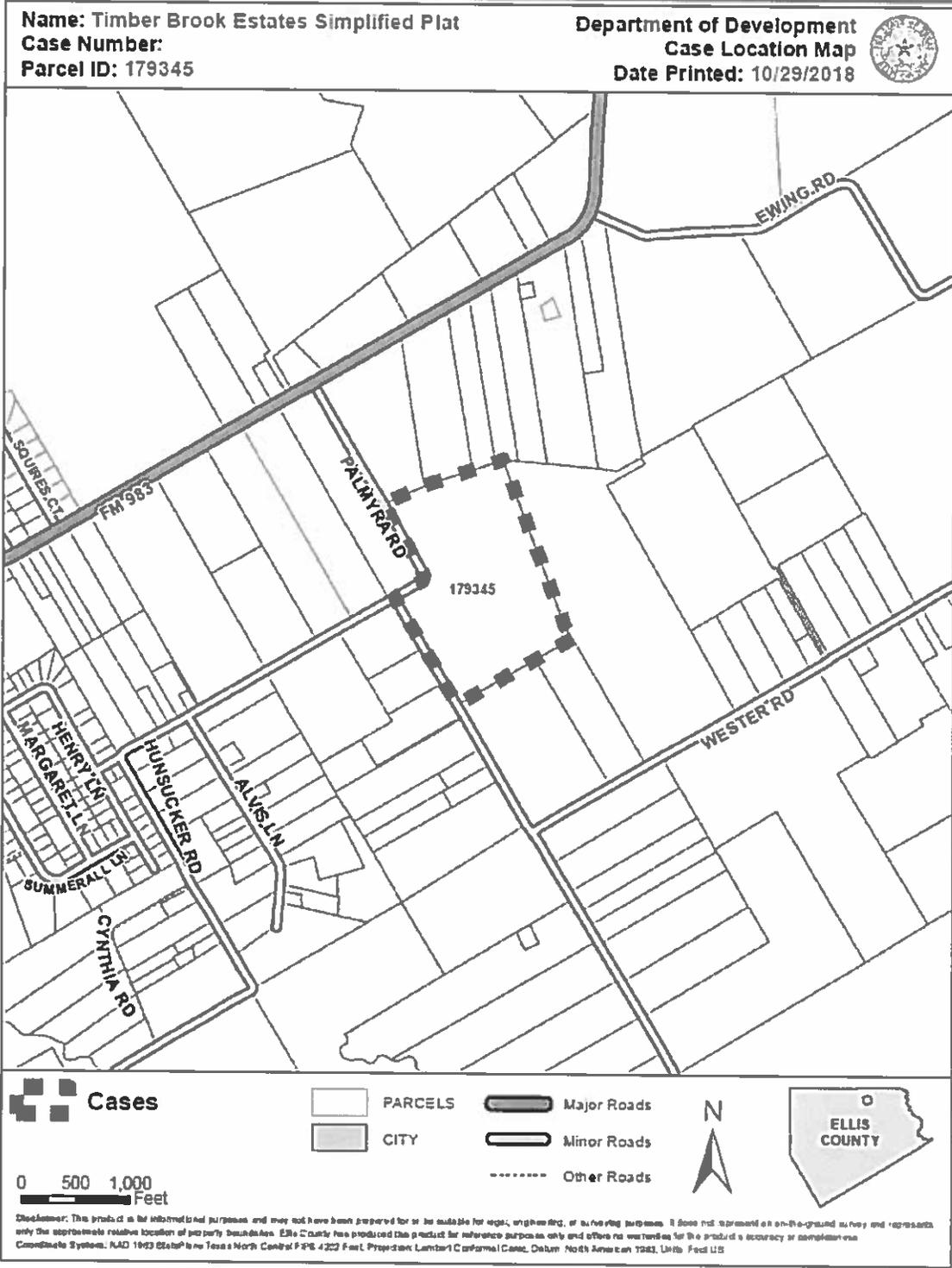


**APPROVED AND PRESENTED BY:**

Alberto Mares, AICP, DR, CPM  
Director of Planning & Development  
Ellis County



**ATTACHMENT NO. 1**







**DEPARTMENT OF DEVELOPMENT**  
**Ellis County**

: [dod@co.ellis.tx.us](mailto:dod@co.ellis.tx.us)  
: 972-825-5200  
: [co.ellis.tx.us/dod](http://co.ellis.tx.us/dod)

**ATTACHMENT NO. 3**



Wed 12/12/2018 11:56 AM

Tim Jackson <[timjackson@texasrcs.com](mailto:timjackson@texasrcs.com)>

Plat Error

To: Alberto Mares, AICP



Alberto – I have a simplified plat that was recently filed – Timberbrook Estates. Apparently, on the final version, I had a layer turned off in my drawing that had some lot dimensions (see attached). This information is not on the plat and really should be. Is there a way we can submit and file a "Corrected Simplified Plat"? What would the process be??

Thanks,

**Tim Jackson, RPLS**

President

P.O. Box 252

Waxahachie, TX 75168

Ph. 469.518.0338

Cell: 214.869.8813

Email: [timjackson@texasrcs.com](mailto:timjackson@texasrcs.com)



TXRCS  
TEXAS REAL ESTATE CAPTURE & SURVEYING LLC  
TBPLS FIRM NO. 10194359

SP2



AGENDA ITEM NO. SP2  
Ellis County Commissioners' Court  
January 8, 2019



**SHORT TITLE:**

Simplified plat of Houston Hills, Lots 1-4.

**LEGAL CAPTION:**

Consider & act upon a simplified plat of Houston Hills, Lots 1-4. The property contains a total of ± 13.961 acres of land in the J. Benton Survey, Abstract No. 39 located on the north side of Old Maypearl Road ± 750 feet east of Vinyard Drive, Maypearl, Road & Bridge Precinct No. 3.



**APPLICANT:**

Clay Sibley



**PURPOSE:**

The applicant is requesting approval of this 4-lot subdivision. The remaining ± 10.1 acres of this property is not included as part of this plat and not required as it is over the 10-acre platting requirement.



**HISTORY:**

There is no previous subdivision history associated with this property.



**OTHER RELEVANT INFORMATION:**

**Thoroughfare Plan**

This plat shows a total right-of-way dedication of thirty (30) feet along the centerline of Old Maypearl Road to convert it from prescriptive to dedicated right-of-way. This road is not on the County's Master Thoroughfare Plan.



**ANALYSIS:**

The plat meets all the requirements outlined in the regulations.



**ATTACHMENTS:**

1. Location Map
2. Plat



**RECOMMENDATION:**

Staff recommends approval of this request, as presented.



**DEPARTMENT OF DEVELOPMENT**  
**Ellis County**

: [dod@co.ellis.tx.us](mailto:dod@co.ellis.tx.us)  
: 972-825-5200  
: [co.ellis.tx.us/dod](http://co.ellis.tx.us/dod)

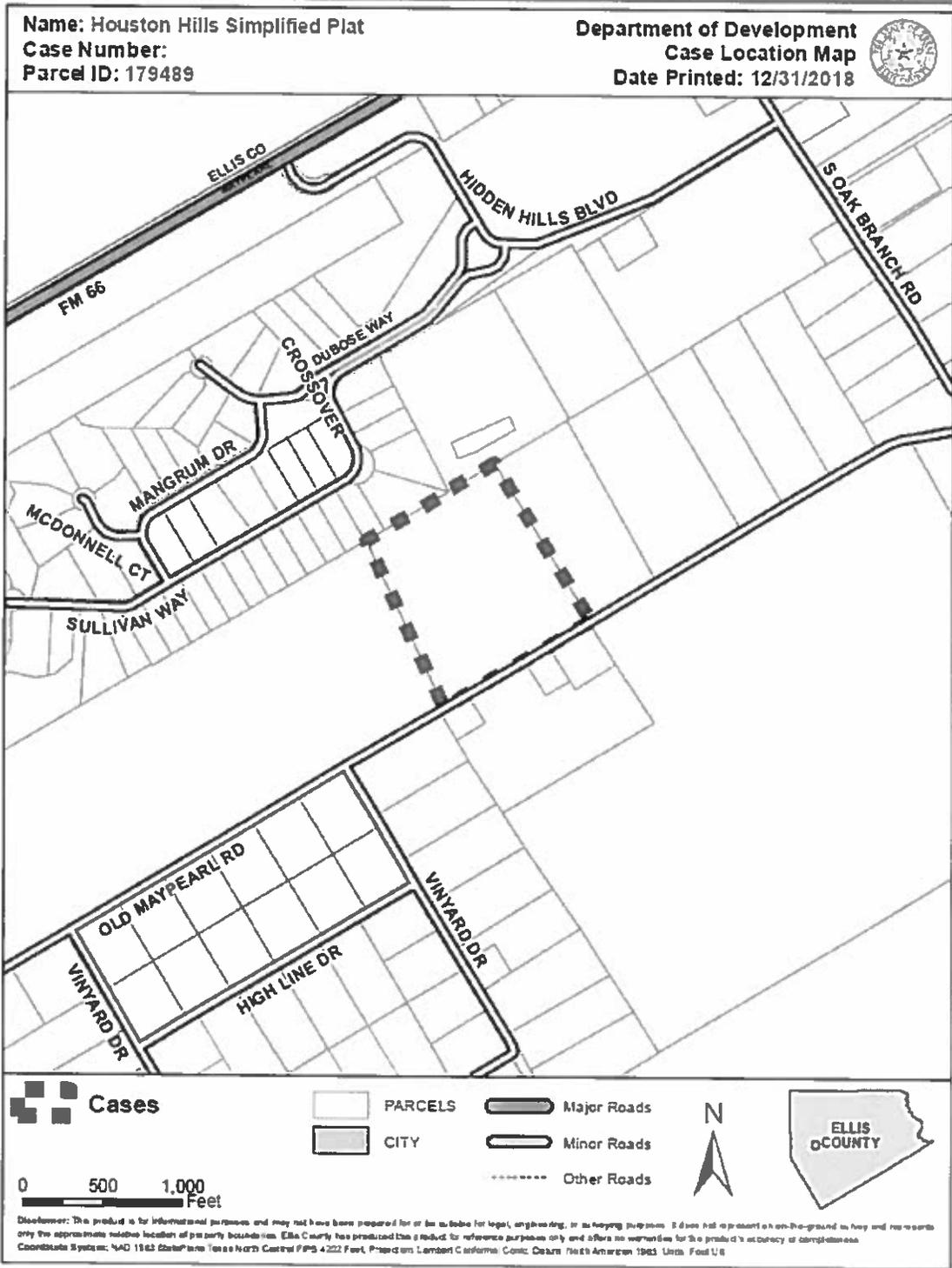


**APPROVED AND PRESENTED BY:**

Alberto Mares, AICP, DR, CPM  
Director of Planning & Development  
Ellis County



**ATTACHMENT NO. 1**





SP3



DEPARTMENT OF DEVELOPMENT  
Ellis County

✉: dod@co.ellis.tx.us  
☎: 972-825-5200  
🌐: co.ellis.tx.us/dod

**AGENDA ITEM NO. SP3**  
Ellis County Commissioners' Court  
January 8, 2019



**SHORT TITLE:**

Simplified plat of Perez Subdivision, Lot 1.

**LEGAL CAPTION:**

Consider & act upon a simplified plat of Perez Subdivision, Lot 1. The property contains a total of ± 1.497 acres of land in the James M. Riggs Survey, Abstract No. 902 located on the north side of Farrar Road ± 2,850 feet west of Sutton Road, Palmer, Road & Bridge Precinct No. 1.



**APPLICANT:**

Everaldo Perez



**PURPOSE:**

The applicant is requesting approval of this 1-lot subdivision to officially plat his property that was illegally subdivided many years ago.



**HISTORY:**

There is no previous subdivision history associated with this property.



**OTHER RELEVANT INFORMATION:**

**Thoroughfare Plan**

This plat shows a total right-of-way dedication of thirty (30) feet along the centerline of Farrar Road to convert it from prescriptive to dedicated right-of-way.



**ANALYSIS:**

The plat meets all the requirements outlined in the regulations.



**ATTACHMENTS:**

1. Location Map
2. Plat



**RECOMMENDATION:**

Staff recommends approval of this request, as presented.



**DEPARTMENT OF DEVELOPMENT**  
**Ellis County**

: [dod@co.ellis.tx.us](mailto:dod@co.ellis.tx.us)  
: 972-825-5200  
: [co.ellis.tx.us/dod](http://co.ellis.tx.us/dod)

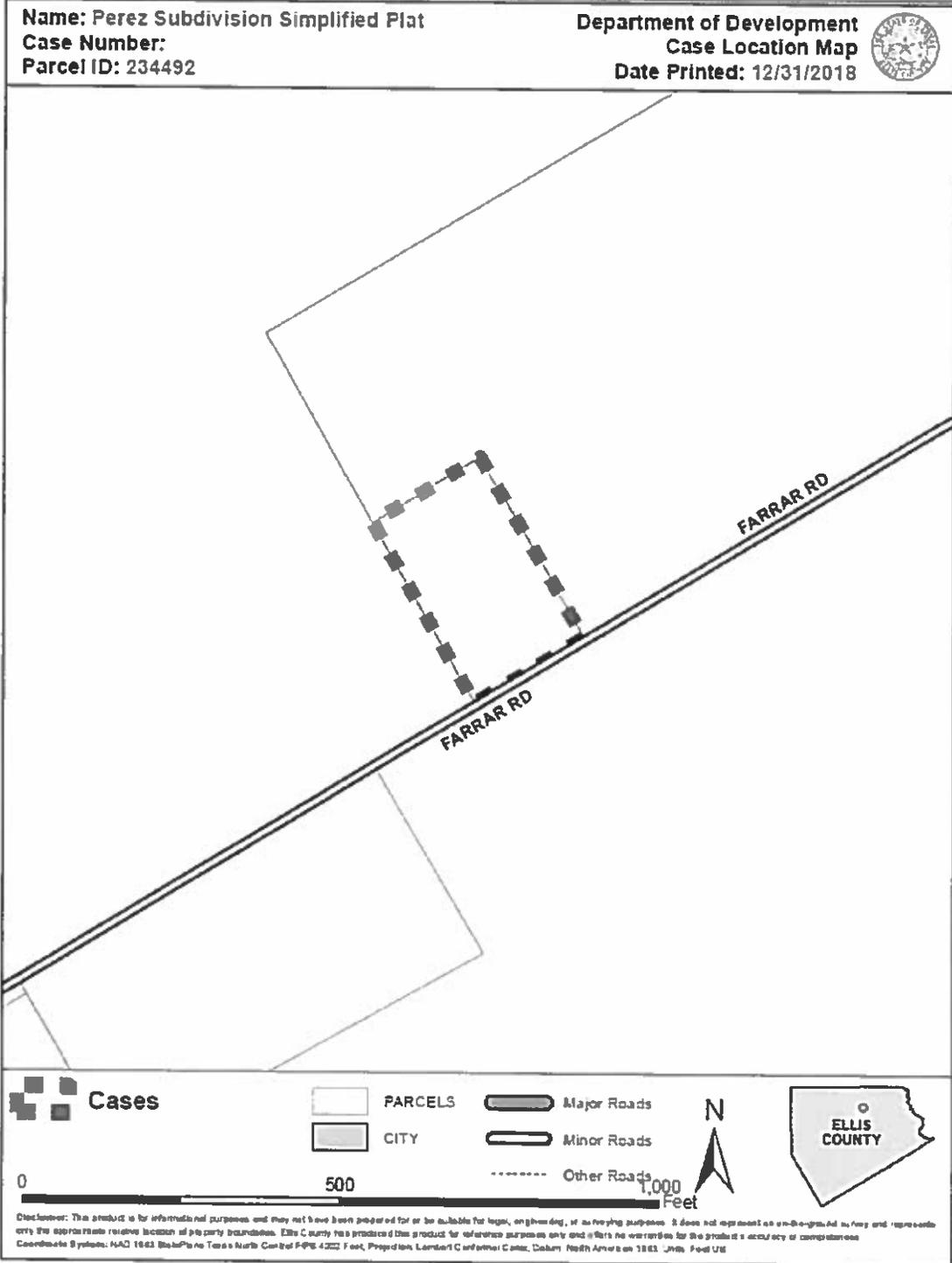


**APPROVED AND PRESENTED BY:**

Alberto Mares, AICP, DR, CPM  
Director of Planning & Development  
Ellis County



**ATTACHMENT NO. 1**



Job: 120457 02 459143 Author: rich.magnus Date Printed: 12/31/2018 GIS: BCCS Analyst: Rich Magnus LHM: ed.m.d





**AGENDA ITEM 1.1**  
Ellis County Commissioners' Court  
January 8, 2019



**SHORT TITLE:**

Final plat of Pioneer Point Farms, Phases 3 & 4.

**LEGAL CAPTION:**

Consider & act upon a final plat of Pioneer Point, Phases 3 & 4. The property contains a total of ± 70.16 acres of land in the Charles Atteberry Survey, Abstract No. 10 located on the north side of FM 66 ± 400 feet west of Richard Road, in the extraterritorial jurisdiction (ETJ) of the city of Waxahachie, Road & Bridge Precinct No. 3.



**APPLICANT:**

Kars Tamminga



**PURPOSE:**

The applicant is requesting to subdivide this property into fifty-seven (57) residential lots.



**HISTORY:**

The City of Waxahachie approved this final plat at its City Council meeting on December 17, 2018. A preliminary plat was approved in January 2015 by the City of Waxahachie and the Commissioners' Court on March 9, 2015. The City of Waxahachie later granted a 2-year extension of this preliminary plat through the established Interlocal Agreement for plats. A final plat of Phases 1 & 2 for 19 lots was approved in August 2018. Future phases of this subdivision are forthcoming.



**OTHER RELEVANT INFORMATION:**

**Thoroughfare Plan:**

These phases are not adjacent to any thoroughfares on the County's adopted Master Thoroughfare Plan.



**ANALYSIS:**

The plat meets all the requirements outlined in the regulations.



**ATTACHMENTS:**

1. Location Map
2. Plat



**RECOMMENDATION:**

Staff recommends **approval** of this request, as presented.



**DEPARTMENT OF DEVELOPMENT**  
**Ellis County**

: [dod@co.ellis.tx.us](mailto:dod@co.ellis.tx.us)  
: 972-825-5200  
: [co.ellis.tx.us/dod](http://co.ellis.tx.us/dod)



**APPROVED AND PRESENTED BY:**

Alberto Mares, AICP, DR, CPM  
Director of Planning & Development  
Ellis County



**ATTACHMENT NO. 1**



49823773 32 300725 Author: rick.meyers Q3@co.ellis.tx.us Date Printed: 12/31/2018 G:\GIS\GIS Analysts\Tech Support\2018\12\31\2018.mxd





**AGENDA ITEM 1.2**  
Ellis County Commissioners' Court  
January 8, 2019



**SHORT TITLE:**

Preliminary plat of Murray Estates.

**LEGAL CAPTION:**

Consider & act upon a preliminary plat of Murray Estates. The property contains a total of ± 39.60 acres of land in the F.M. Woodward Survey, Abstract No. 1120 located on the north side of FM 879 ± 1,120 feet west of Boyce First Street in the extraterritorial jurisdiction (ETJ) of the City of Waxahachie, Road & Bridge Precinct No. 1.



**APPLICANT:**

Cory Murray



**PURPOSE:**

The applicant is requesting to subdivide this property into thirty-four (34) residential lots.



**HISTORY:**

There is no previous subdivision history on this property. The City of Waxahachie approved this preliminary plat at its City Council meeting on December 3, 2018.



**OTHER RELEVANT INFORMATION:**

**Thoroughfare Plan:**

The County's adopted Master Thoroughfare Plan identifies FM 879 as a Principal Arterial requiring a minimum right-of-way dedication up to 120 feet. This plat shows a right-of-way dedication of 20 feet, thus satisfying this requirement.



**ANALYSIS:**

The plat meets all the requirements outlined in the regulations.



**ATTACHMENTS:**

1. Location Map
2. Plat



**RECOMMENDATION:**

Staff recommends **approval** of this request, as presented.



**DEPARTMENT OF DEVELOPMENT**  
**Ellis County**

✉: [dod@co.ellis.tx.us](mailto:dod@co.ellis.tx.us)  
☎: 972-825-5200  
🌐: [co.ellis.tx.us/dod](http://co.ellis.tx.us/dod)

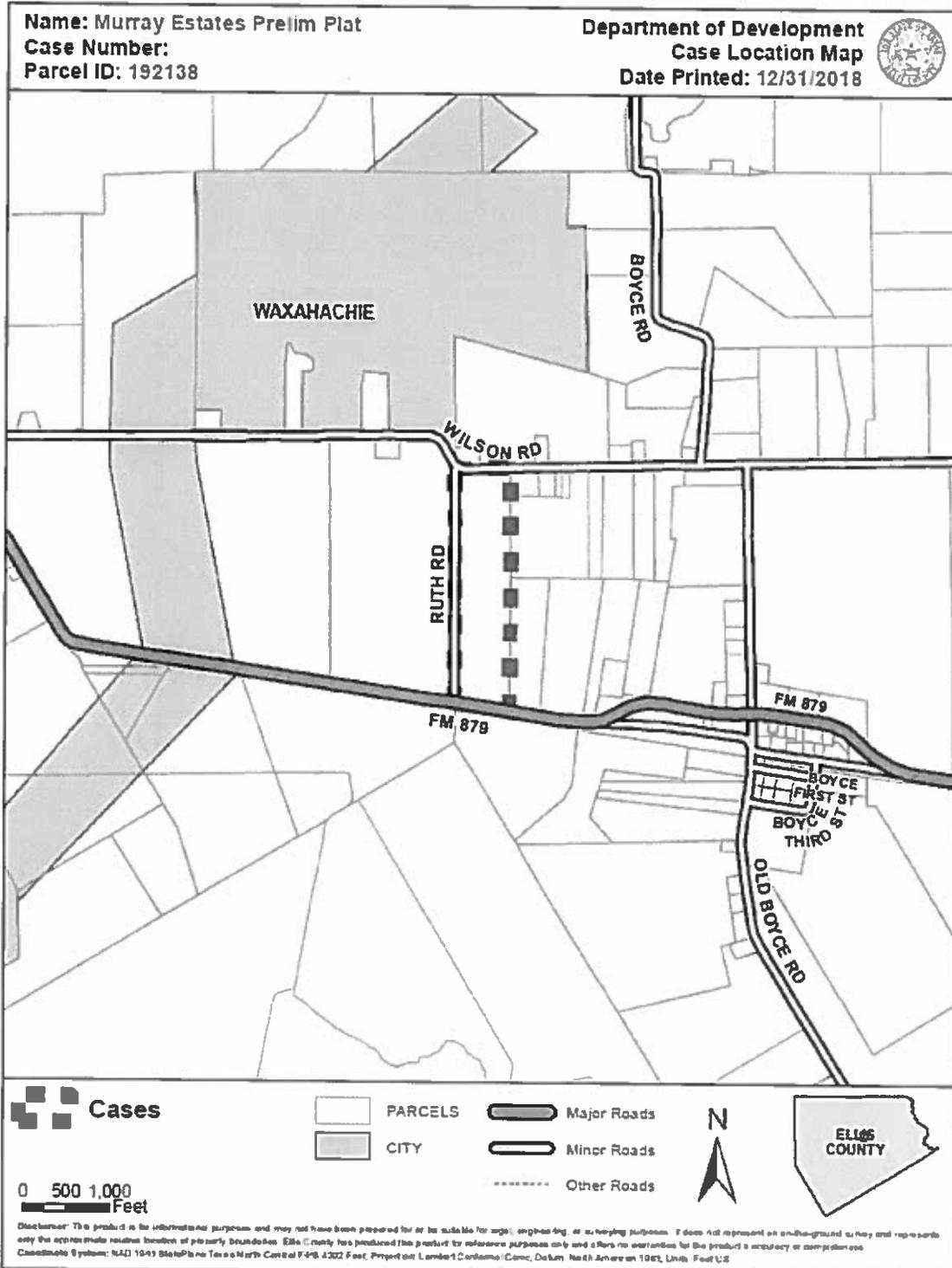


**APPROVED AND PRESENTED BY:**

Alberto Mares, AICP, DR, CPM  
Director of Planning & Development  
Ellis County



**ATTACHMENT NO. 1**



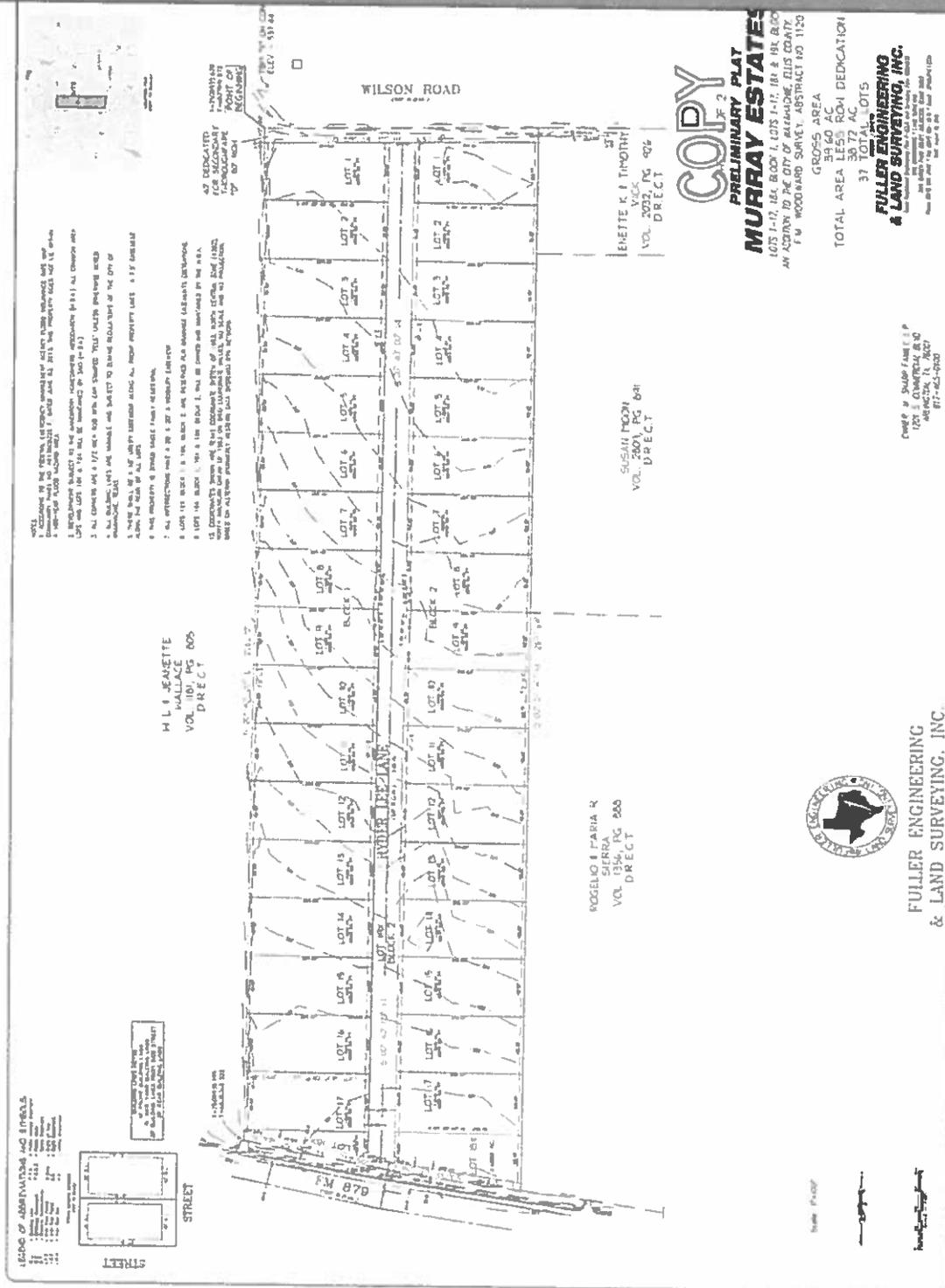
JM744230 12 30297 Author: dls@co.ellis.tx.us Date Printed: 12/31/2018 GIS/IGIS Analyst: (k) Magnolia Limited no 4



DEPARTMENT OF DEVELOPMENT  
Ellis County

✉: dod@co.ellis.tx.us  
☎: 972-825-5200  
🌐: co.ellis.tx.us/dod

ATTACHMENT NO. 2



2.2

# Quote

GFC #: 18SV062

# Gomez Floor Covering, Inc.



Your Floor Covering and Furniture Specialists

## Change Order #1

Contact: Sanford Valentine

Company: Gomez Floor Covering, Inc.  
1130 Inwood Road  
Dallas, Texas 75247

Phone: 214-905-1901

Fax: 214-905-1904

E-mail: [svalentine@gomezfc.com](mailto:svalentine@gomezfc.com)

Date: 12/20/18

DUN# 135893969

Contact: Jodi Platt

Contact:

Company: Ellis County Purchasing Office  
Address: 101 West Main, Ste203  
Waxahatchie, Texas 75165

Phone: 972-825-5118

Email: [jodi.platt@co.ellis.tx.us](mailto:jodi.platt@co.ellis.tx.us)

Project: Ellis County Court House 3rd Floor  
Address:

Phone:

Fax:

Quantity	Unit	Item Description	Unit Price	Extension
484	SF	Furnish/Install Ceramic Tile	\$ 9.75	\$4,719.00
484	SY	Demo ceramic tile	\$ 3.75	\$1,815.00
1	ea	Floor Primer	\$ 80.00	\$80.00
90	LF	Furnish/ Install Ceramic Cove Base	\$ 2.50	\$225.00
		Work Done on weekends/as specified.		

**SUBTOTAL** \$ 6,839.00

**Tax** \$564.22

**Total \$ 7,403.22**

Substrate preparation is cosmetic only and shall not be considered a permanent structural repair. This includes treatment for cracks, joints, spalling, divots, and/or other imperfections.  
Add Additional Applicable Taxes

Exclusions: 1) Overtime Labor, 2) Protection of Finished Covering, 3) Replacement of Floor Covering Damaged by Others, 4) Substrate affected by Moisture, 5) Bonding, 6) Major Floor Prep, 7) Attic Stock, 8) Furniture Moving

Accepted By:

Submitted By:

Authorized Signature

Sanford Valentine

254.223.9196

Project Manager

Title

Date

Title

Date

12/20/2018

Application for Ellis County  
Emergency Service District Board

[ESD # 2] 3.1

Name Ronald A. Russell  
Address MAILING: 104 E. VILLA Rd Unit 1071 / Physical: 7821 Fm 1387  
Red Oak, TX 75154 / Waxahachie, TX 75167  
Phone Home —  
Work —  
Mobile 214-500-5811  
E Mail chief russell911@gmail.com  
Emergency Service District applying for: ESD # 2

Are you related to, indebted to or closely associated with any person associated with the volunteer fire department in your district? If so, please state their name(s) and relationship.

No

Do you live within this district? Yes How long have you lived in Ellis County? 26 yrs  
US Citizen? Yes Registered voter? Yes  
Current employer retired City of DeSoto  
Military Service No

Have you filed federal income tax returns for the past five (5) years? If no, give details Yes

Have you ever been arrested? If yes, give details

No

Have you been convicted in a criminal proceeding or been named subject of any pending criminal proceeding? If yes, give details.

No

Have you ever been delinquent in child support payments? If yes, give details

N/A

Has your driver license ever been suspended? If yes, give details

No

Are you or your spouse related to a local, state or federal public official? (name and relationship, if applicable) \_\_\_\_\_

No

Do you currently serve, or have you ever served, on any local, state or federal government board, commission or committee or in any elected or appointed office?

ESD #2 2000-2009, Garland Crime Stoppers 2012-2014

MIDWINTER SCHOOL BOARD 2004-2006

Please tell us about your business experience and your experience on other boards.

DeSoto Fire Rescue - Battalion Chief (Retired) 33 years

Responsible for fiscal responsibility with City line item budgetary items.

What do you hope to accomplish as a member of the Emergency Service District Board?

And the Board in continuing transparency and fiscal responsibility while seeking to provide adequate public safety to the citizens of District #2 in Ellis County.

#### CERTIFICATION OF APPLICANT

I hereby certify that the attached statements are true, accurate and complete. I agree that any misstatement, misrepresentation or omission of a fact may result in my disqualification for appointment. I further agree that upon appointment by the Ellis County Commissioners' Court to the Board of Directors of Ellis County Emergency Service District No. \_\_\_\_ that I will execute and file with the Ellis County Clerk a bond conditioned on the faithful execution of my duties of my office. My failure to file a bond as stated above within 10 days following my appointment will act as an automatic resignation of my office.

  
Applicant's Signature

11-21-18  
Date



# Ellis County Fire Marshal

109 S. Jackson

Waxahachie Texas, 75165

Phone

972-825-5555

Fax

972-825-5551

## AUTHORIZATION FOR RELEASE OF PERSONAL INFORMATION

I, Ronald Allen Russell, do hereby authorize a review of and full disclosure of all records concerning myself to any duly authorized agent of the Ellis County Fire Marshal's Office whether the said records are of a public, private, or confidential nature.

The intent of this authorization is to give my consent for full and complete disclosure of the records of: educational institutions; financial or credit institutions, including records of loans, the records of commercial or retail credit agencies (including credit reports and/or ratings), and other financial statements and records wherever filed; employment and pre-employment records, including background reports, efficiency ratings, complaints, grievances, and disciplinary actions filed by or against me and the records and recollections of attorneys at law or of other counsel, whether representing me or another person in any case, either criminal or civil, in which I presently have or have had an interest.

I understand that any information obtained by a personal history background investigation which is developed directly or indirectly, in whole or in part, upon the release authorization will be considered in determining my suitability as an Ellis County Fire Commissioner for Emergency Services District # 2. I also certify that any person(s) and governmental entity(ies) who may furnish such information concerning me shall not be held accountable for giving this information; and I hereby release, indemnify, and hold harmless said person(s) and governmental entity(ies) from any and all liability which may be incurred as a result of furnishing such information. I also release and hold harmless Ellis County and the Ellis County Fire Marshal from any claim or demand related to Ellis County, Texas obtaining and/or considering any such information.

I further agree to waive any right whatsoever to the background investigation report, or any other report developed through this waiver or used as part of the process to determine my suitability to become an Ellis County Fire Commissioner.

A photocopy or facsimile copy of this release form will be valid as an original thereof, even though said photocopy does not contain writing of my signature.

Ronald Allen Russell Sworn to and subscribed before me by applicant on Applicant's Printed Name (Include maiden name) this 21 day of October, 2018

Ronald Allen Russell  
Applicant's Signature

Bobby Donnell Spread  
Notary Public

Date of Birth 01-13-1961 Ellis County, Texas

Social Security # 464-21-0801

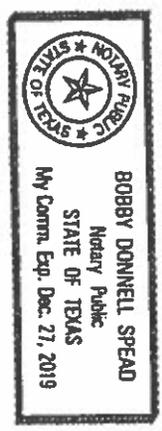
Driver's License # 03886544 State TX

Phone (214) 500-5811

(Affix Seal)

Address 7821 F.M. 1387

City/State/Zip Watahachie TX. 75167



I have read and I understand all of the above.

Ronald Allen Russell  
Signature

11-21-18  
Date

# Application for Ellis County Emergency Service District Board

[ESD #2]

Name JOHN BINFORD  
 Address 3311 MOUNTAIN VIEW DRIVE  
VENUS, TX 76084  
 Phone Home 214 280 7863  
 Work 469 218 7720  
 Mobile 214 280 7863  
 E Mail john-binford@yahoo.com  
 Emergency Service District applying for: # 2

Are you related to, indebted to or closely associated with any person associated with the volunteer fire department in your district? If so, please state their name(s) and relationship.  
no

Do you live within this district? yes How long have you lived in Ellis County? 21 yrs  
 US Citizen? yes Registered voter? yes  
 Current employer CITY OF RED OAK  
 Military Service none

Have you filed federal income tax returns for the past five (5) years? If no, give details  
yes

Have you ever been arrested? If yes, give details  
no

Have you been convicted in a criminal proceeding or been named subject of any pending criminal proceeding? If yes, give details.  
no

Have you ever been delinquent in child support payments? If yes, give details  
no

Has your driver license ever been suspended? If yes, give details  
no

Are you or your spouse related to a local, state or federal public official? (name and relationship, if applicable) I am the Information Technology Director of the City of Red Oak

Do you currently serve, or have you ever served, on any local, state or federal government board, commission or committee or in any elected or appointed office?  
no

Please tell us about your business experience and your experience on other boards.  
I was a manager and vice president at J.P. Morgan Chase for 15 yrs managing a \$4MM annual budget and 24 employees over six states. I have also been a volunteer firefighter and an EMT.

What do you hope to accomplish as a member of the Emergency Service District Board?  
serve my community and help ensure great first responder service levels and equipment to do the job. The citizens in ESD#2 deserve the best emergency response we can provide.

### CERTIFICATION OF APPLICANT

I hereby certify that the attached statements are true, accurate and complete. I agree that any misstatement, misrepresentation or omission of a fact may result in my disqualification for appointment. I further agree that upon appointment by the Ellis County Commissioners' Court to the Board of Directors of Ellis County Emergency Service District No. 2 that I will execute and file with the Ellis County Clerk a bond conditioned on the faithful execution of my duties of my office. My failure to file a bond as stated above within 10 days following my appointment will act as an automatic resignation of my office.

[Signature]  
Applicant's Signature

11-19-18  
Date



# Ellis County Fire Marshal

109 S. Jackson

Waxahachie Texas, 75165

**Phone**

972-825-5555

**Fax**

972-825-5551

## AUTHORIZATION FOR RELEASE OF PERSONAL INFORMATION

I, JOHN R. Binford, do hereby authorize a review of and full disclosure of all records concerning myself to any duly authorized agent of the Ellis County Fire Marshal's Office whether the said records are of a public, private, or confidential nature.

The intent of this authorization is to give my consent for full and complete disclosure of the records of: educational institutions; financial or credit institutions, including records of loans, the records of commercial or retail credit agencies (including credit reports and/or ratings), and other financial statements and records wherever filed; employment and pre-employment records, including background reports, efficiency ratings, complaints, grievances, and disciplinary actions filed by or against me and the records and recollections of attorneys at law or of other counsel, whether representing me or another person in any case, either criminal or civil, in which I presently have or have had an interest.

I understand that any information obtained by a personal history background investigation which is developed directly or indirectly, in whole or in part, upon the release authorization will be considered in determining my suitability as an Ellis County Fire Commissioner for Emergency Services District # 2. I also certify that any person(s) and governmental entity(ies) who may furnish such information concerning me shall not be held accountable for giving this information; and I hereby release, indemnify, and hold harmless said person(s) and governmental entity(ies) from any and all liability which may be incurred as a result of furnishing such information. I also release and hold harmless Ellis County and the Ellis County Fire Marshal from any claim or demand related to Ellis County, Texas obtaining and/or considering any such information.

I further agree to waive any right whatsoever to the background investigation report, or any other report developed through this waiver or used as part of the process to determine my suitability to become an Ellis County Fire Commissioner.

A photocopy or facsimile copy of this release form will be valid as an original thereof, even though said photocopy does not contain writing of my signature.

John Binford Sworn to and subscribed before me by applicant on Applicant's Printed Name (Include maiden name) this 26<sup>th</sup> day of November, 2018

[Signature]  
Applicant's Signature

Kendra M. Worthy  
Notary Public

Date of Birth 5-6-1964

Ellis County, Texas

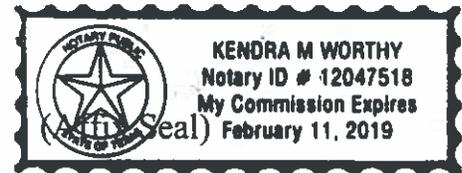
Social Security # 585283202

Driver's License # 10126690 State TX

Phone (214) 280-7863

Address 2311 Mountain View Dr.

City/State/Zip Venus, TX 76084



I have read and I understand all of the above.

[Signature]  
Signature

11-26-2018  
Date



## Southwestern Assemblies of God University FACILITIES USE AGREEMENT

This Facilities Use Agreement is between the Event Services Department of Southwestern Assemblies of God University, on behalf of Southwestern Assemblies of God University, herein referred to as "University" and Ellis County hereinafter referred to as "Client." This Agreement is made and entered into on \_\_\_\_\_ ("Effective Date"). The purpose of this Agreement is to define the obligations of both parties pertaining to the rental of the venue(s) described in the enclosed Attachment.

**Date and Time of Use.** Client shall be permitted to use the portion of the Facilities (listed on the estimate provided by Event Service) on 03/07/2019 between the hours of 05:00  am  pm and 09:00  am  pm (the "Event Date") only.

**Deposit/Rental Fees.** A signed Agreement and a non-refundable Deposit in the amount of \$ 8.75 must be received to reserve the requested Event Date(s) and Time(s). If the Deposit is not timely received by University, this Agreement shall be automatically default and void and Client shall have no right to use the Facility. Please submit your Deposit to:

Southwestern Assemblies of God University  
Attn: Event Services  
1200 Sycamore Street  
Waxahachie, TX 75165

Payment is due in full within thirty (30) days of the date of the final invoice. The final invoice is prepared at the conclusion of the scheduled event. Any charges incurred above the written initial estimate of costs will be added to the invoice. The final invoice will include meals and housing charges, if applicable, based on the guaranteed guest count or the actual number of guests, whichever is greater.

**Insurance Requirements.** Proof of liability insurance is required and due at least twenty-one (21) days prior to the Event Date. Client is responsible for providing a Certificate of Liability with the following minimum requirements:

- a) A minimum of one hundred thousand dollars (\$100,000.00) of liability insurance;
- b) Valid for duration of the Event rental period;
- c) Certificate must contain proof of Workers Comp if Client is using any type of hired labor;
- d) Name "Southwestern Assemblies of God University" as additional insured. Standard language is "Certificate holder is included as an additional insured, in regards to general liability for (Event Name) held on (Event Date(s)), as per written agreement."

Client can EMAIL the certificate of insurance and endorsement to the Event Services Department at [eventservices@sagu.edu](mailto:eventservices@sagu.edu) with "Certificate of Liability" as the subject line.

**Insurance Requirements, cont.** If the certificate is not delivered to and received by University in a timely manner, this Agreement shall be automatically and immediately void and Client shall have no right to use the Facility. Client is also responsible for obtaining and securing any required permits for the Event.

**Termination and Cancellation.** Cancellations must be received by University in writing thirty (30) days prior to Event Date. Initial Deposits are non-refundable and no refund will be granted to the Client for services rendered.

This Agreement to use the Facility is granted subject to observance of regulations. University may revoke the Agreement effective immediately upon Client's failure to timely comply with any pre-Event requirement, for any violation of use conditions or regulations required by University or governmental agency, or at any time for misrepresentation. University may terminate any part of the Agreement without notice in the event of an emergency which, in the opinion and sole discretion of University, would make the Event unfeasible. Refunds of any Deposits and/or Rental Fees paid will be determined at the discretion of University, on a case by case basis.

**Force Majeure.** A Party shall be excused for the failure of or delay in performing its obligations under this Agreement to the extent that such failure or delay in performance is prevented by force majeure (defined below) and the nonperforming Party promptly provides notice of such prevention to the other Party. For purposes of this Agreement, force majeure shall include conditions beyond the control of the Parties, including an act of God, acts of terrorism, voluntary or involuntary compliance with any regulation, law or order of any government, war, acts of war (whether war be declared or not), labor strike or lock-out, civil commotion, epidemic, failure or default of public utilities or common carriers, destruction of production facilities or materials by fire, earthquake, storm or like catastrophe. Should the Event be canceled through a force majeure event, all fees paid by Client to University will be returned to Client within thirty (30) days.

**Tenets of Faith.** Client agrees to respect the beliefs of University and the Assemblies of God denomination as set forth in these Tenets of Faith and Position Statements. Client agrees its members/participants will do nothing by word or act that will in any way detract from the testimony of this ministry. Client agrees its members/participants will abide by the guidelines described in this Agreement and those posted on University grounds. The event leader accepts full responsibility of communicating these guidelines to its members/participants and will follow through to ensure compliance.

\_\_\_\_\_ Initial

**Capacity.** At all times, the occupancy of the portion of the Facility shall not exceed 150 people. Lessor shall be allowed to take any action necessary to enforce compliance with this Provision, including, but not limited to, terminating the Event prior to the expiration of the Term of this Agreement.

**Conduct.** Client and guests shall not interfere with the regular use of the University, the facilities and the adjacent areas on Campus by the public or other facility guests. Excessive noise or other disruptive behavior is prohibited. Conduct deemed disorderly at the sole discretion of University staff may be grounds for immediate expulsion from the premises and conclusion of the rental period. In such cases no refund of Event costs shall be made.

**Conduct, cont.** Client agrees outdoor sound systems will be kept to a moderate level at all times. To comply with city noise ordinances and not disturb the local surrounding area, outdoor sound systems and outdoor events must end by 10:00pm (Monday thru Sunday) unless otherwise approved by University. Any complaints from neighbors or other parties may require noise levels to be reduced.

**Compliance with Laws.** Lessee shall at all times comply with all federal, state, and local statutes, ordinances and regulations. This includes, but is not limited to, obtaining any licenses, certifications, and/or permits necessary for the Event.

**Food and Drink.** No outside food or drink is permitted. Catering Services are available to Client upon request, through Event Services and are to be provided solely by Aramark Dining Services. Requests for catering must be submitted to University Event Services at least fourteen (14) days prior to the Event Date.

**Alcohol and Tobacco Policy.** Possession, use, distribution and/or sale of alcohol, tobacco products, and/or controlled substances on University premises is strictly prohibited. Failure to abide by this policy may result in the revocation of the use of the Facility.

**Event Schedule.** Client agrees to submit a planned program – stating arrival and departure times, facility requests, and recreational requests – at least twenty-one (21) days prior to the Event Date. If requests are not submitted at this time, University will not be able to schedule certain requested activities and Client will be subject to a schedule determined by University staff.

**Entry and Exit.** Client agrees University staff may enter, inspect, and exit the premises for any purpose during the course of the Event. A University representative will be available during the Event Date for questions and/or respond to needs or issues that may arise.

**Set-Up Limitations.** All property belonging to Client, Client's invitees, guests, agents and sub-contractors, and all equipment shall be delivered, set up and removed on the scheduled Event Date. Facilities will not be made available to Client prior to the scheduled Event Date unless prior arrangements have been made in writing. Should Client need earlier access for set-up purposes, this can be arranged prior to the Event Date for an additional fee.

Client is ultimately responsible for property belonging to Client's invitees, guests, agents and sub-contractors. University will not be held responsible for items that are lost or stolen, and is not responsible for vehicle damage or theft.

**Clean Up.** Client is responsible for returning the venue to the state it was provided to them. All property belonging to Client, Client's invitees, guests, agents and sub-contractors shall be removed by the end of the rental period. Should Client need special consideration for the removal of property beyond the rental period, this can be arranged prior to the Event Date for an additional fee. University is not responsible for property left behind by Client, Client's invitees, guests, agents and sub-contractors.

**Room Furnishings.** Every effort will be made to allow Client to prepare decorations reflecting their creative requirements. Client agrees only University staff will rearrange and move any furnishings, including, but not limited to, artwork, lamps, seating, or beds.

**Room Furnishings, cont.** At no time is any invitee, guest, agent or subcontractor of Client authorized to remove, exchange or rearrange Facility furnishings without prior written consent by University.

Client will be responsible for ensuring all room furniture moved by any Client invitee, guest, agent or subcontractor is put back in its proper place. If not completed, Client will incur additional fees for each room not put back into place and/or additional costs for items that were broken.

**Site Decoration.** No nails, screws, staples or penetrating items are to be used on University walls or floors. Only removable, non-damaging tack tape is allowed on floors and walls.

No confetti is allowed on University premises unless prior written approval is given. Any damages to University premises will be charged directly to Client after the Event. University will not charge individual Client invitees, guests, agents and subcontractors. Emergency exit signs, passageways and exit routes may not be obstructed.

**Flames/Fire/Smoke/Fog.** Candles must be dripless and enclosed in a glass container of sufficient height to cover potential flame and meet fire code regulations. Oil Lanterns, open flames and the burning of any materials, including incense is prohibited. Fireworks and pyrotechnics are not permitted. Fog/Smoke machines or other equipment, which may activate fire alarms are prohibited. Haze machines are allowed in Sheaffer Center with the prior written approval of University Media Services.

**Media.** Media Services are available upon request and Client may be subject to additional charges to be established prior to the Event Date. Requests for Media Services must be submitted to University no later than twenty-one (21) days prior to the Event Date.

**Special Equipment.** University assumes no responsibility for equipment used at the Event which is supplied by Client or any other party.

**Publicity/Advertising.** Client shall not use the name of the University, any trade name, service mark, trademarks, acronym or logo of the University in any publicity releases, advertising or any other publication without University's prior written consent.

**Security/Police.** University Campus Police shall solely determine and control security arrangements for the Event including, but not limited to, the type and number of security personnel and placement and use of security personnel. The cost of such service shall be paid by Client in addition to the Deposit and Rental Fee.

**Weapons or Firearms.** All weapons and firearms are strictly prohibited on University premises.

**Animals.** Animals are prohibited on University premises, except for certified service animals. Client agrees to notify University fourteen (14) days prior to the Event Date of any service animals that will be present.

**Accessibility.** The University complies with all physically accessible need requirements outlined by the ADA. It is the responsibility of the Client to provide auxiliary aids and services, such as assistive listening systems and/or sign language interpreters, when deemed necessary.

**Pool Use.** A certified lifeguard must be present for all scheduled pool times. Lifeguards will be provided by University for an additional fee, charged directly to Client. All Client invitees, guests and agents are required to wear modest swimwear. All Client invitees, guests and agents must be fully dressed outside of the pool area and going to/from the Garrison Wellness Center pool or any other water activities.

**Supervision of Minors.** Invitees, guests and agents are under the supervision of Client. Unsupervised participants 18 years of age or younger is not permitted. Client will act as liaisons to Conference Staff in the event of discipline, noise and/or destructive behavior. Client must be in the building(s) at all times when members/participants are in the building(s). Client is responsible for operation of the Event to include supervision of all members/participants at all times during the duration of the Event. Client understands and agrees that University assumes no responsibility for supervision of invitees, guests and agents. Adult live-in supervision is required with any participants 18 years of age or younger for overnight Events.

~~**Indemnification.** The other provisions of this Agreement notwithstanding, Lessee hereby agrees to indemnify Lessor and hold it harmless from any loss, cost, expense, damage, claims or causes of action arising out of the negligence or misconduct of Lessee, its employees, agents, contractors or invitees, or any other person entering the Facility under the express or implied invitation of Lessee, or arising out of the use of the Facility by Lessee, or arising out of any breach or default by Lessee in the performance of its obligations under this Agreement to the extent permitted by Texas law.~~

**Waiver.** One or more waivers of any covenant, term or condition of this Agreement by either party shall not be construed as a waiver of a subsequent breach of the same covenant, term or condition.

**Miscellaneous.** Nothing herein contained shall be deemed or construed by the parties hereto, nor by any third party, as creating the relationship of principal and agent or of partnership or of joint venture between parties hereto, it being understood and agreed that no provision contained herein, nor any acts of the parties hereto, shall be deemed to create any relationship between the parties hereto other than the relationship of landlord and tenant. Whenever herein the singular number is used, the same shall include the plural, and words of any gender shall include each other gender.

**Entire Agreement.** This agreement contains the entire agreement between the parties, and no agreement shall be effective to change, modify, or terminate this Agreement in whole or in part unless such agreement is in writing and duly signed by the party against whom enforcement of such change, modification or termination is sought.

**Governing Law.** The laws of the State of Texas shall govern the interpretation, validity, performance and enforcement of this Agreement. If any provision of this Agreement should be held to be invalid or unenforceable, the validity and enforceability of the remaining provisions of this Lease shall not be affected thereby.

**Responsible Party.** The person(s) who completes and signs this Agreement shall be the Responsible Party. The Responsible Party shall take all reasonable actions to assure event safety, to prevent damage to the Facility and equipment, and to see these conditions and other policies and regulations, outlined in this Agreement are met.

**Authorization.** The person(s) signing this Agreement on behalf of the Parties each warrant they are authorized to make agreements and to bind their principles to this Agreement.

**Signature of Acceptance**

I, \_\_\_\_\_, understand and accept the conditions of this Agreement on behalf of \_\_\_\_\_ . I state that I am an authorized and legal signer for Client. I accept responsibility for interpreting the fees to participants and seeing that University received full payment. I have read this Agreement in its entirety and accept the conditions above as listed. I understand that the reservation is not considered confirmed until this Agreement is signed and returned via postal mail or email and receipt of the Agreement and the Deposit is acknowledged.

\_\_\_\_\_  
CLIENT SIGNATURE

\_\_\_\_\_  
CLIENT TITLE

\_\_\_\_\_  
SOUTHWESTERN ASSEMBLIES OF GOD SIGNATURE

\_\_\_\_\_  
SOUTHWESTERN ASSEMBLIES OF GOD TITLE

\*Pursuant to Section 2270.002, Texas Government Code, by executing this Agreement, you verify that you, your company, and your employees: (1) do not boycott Israel; and (2) will not boycott Israel during the term of this Agreement.

Pursuant to Section 2252.152, Texas Government Code, by executing this Agreement, you verify that you, your company, and your employees are not engaged in business with Iran, Sudan, or any company identified on the list referenced in Section 2252.152, Texas Government Code.



**POLITICAL SUBDIVISION WORKERS' COMPENSATION ALLIANCE  
ELECTION FORM**

I elect to participate in the Political Subdivision Workers' Compensation Alliance.

01/01/2018  
Effective Date of Alliance Participation

I elect NOT to participate in the Political Subdivision Workers' Compensation Alliance.

\_\_\_\_\_  
Termination Date of Alliance Participation

  
\_\_\_\_\_  
Ellis County

Lane Grayson, Commissioner At-Large, Presiding  
Printed Name and Title

 9-12-17  
Signature of Workers' Compensation Coordinator or Pool Coordinator Date

3.5  
?

**RESOLUTION OF THE ELLIS COUNTY  
COMMISSIONER'S COURT REGARDING THE ELLIS COUNTY  
MEDICAID SUPPLEMENTAL PAYMENT PROGRAM**

**WHEREAS**, Ellis County (the "County") has elected to collaborate with PRHC-ENNIS, L.P. d/b/a Ennis Regional Medical Center and Baylor Medical Center at Waxahachie (the "Private Hospitals") to design a Medicaid supplemental payment program (the "Program") for the benefit of the local community at no additional cost to taxpayers; and

**WHEREAS**, in order to participate in the Program, HHSC requires that both the County and the Private Hospitals memorize their collaboration in an Ellis County Indigent Care Affiliation Agreement (the "Affiliation Agreement"); and that the County execute certain regulatory certifications.

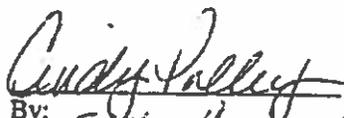
**NOW, THEREFORE, BE IT RESOLVED** by the Ellis County Commissioner's Court, that:

1. The Court approves the County's participation in this collaboration and directs the County Judge to enter into all agreements and arrangements necessary to implement and carry out the Program, as determined by the County Judge.
2. The Commissioner's Court has reviewed the Certification and adopts the conditions described in the Certification at a public meeting held in compliance with the Texas Open Meetings Act, Chapter 551, Government Code.
3. The County Judge of Ellis County is authorized to certify to the conditions set forth in the Certification.
4. The County Judge of Ellis County, or her designee, is hereby authorized and directed to execute the Ellis County Indigent Care Affiliation Agreement.
5. The County Judge of Ellis County, or her designee, is hereby authorized and directed to take whatever action is necessary, and to execute or modify such documents that may be necessary, to carry out and effectuate the purpose of this Resolution.
6. This Resolution shall be in full force and effect from and after the date of its adoption.

PASSED AND APPROVED this 12 day of December, 2011.

  
\_\_\_\_\_  
Hon. Carol Bush  
County Judge

ATTEST:

  
By: \_\_\_\_\_  
Its: Ellis County Clerk

ADOPTION effective December 12 2011.

## **ELLIS COUNTY INDIGENT CARE AFFILIATION AGREEMENT**

This Indigent Care Affiliation Agreement ("Agreement") is entered into as of the 31<sup>st</sup> day of December, 2011 ("Effective Date"), by and among Ellis County, a political subdivision organized under the laws of Texas ("the County"), PRHC-ENNIS, L.P. d/b/a Ennis Regional Medical Center, and Baylor Medical Center at Waxahachie (collectively the "Affiliated Hospitals").

### **RECITALS:**

**WHEREAS**, the State's under-funding of, and reductions in eligibility for, Medicaid increases the volume of indigent patients who rely on hospital services as the source of primary healthcare and shifts the burden for indigent care to the Affiliated Hospitals, the County, and the local community; and

**WHEREAS**, the County and the Affiliated Hospitals recognize that the Texas Medicaid program will continue to be under-funded and that the indigent patient population in the community will continue to grow; and

**WHEREAS**, the County and the Affiliated Hospitals recognize that the community may also achieve benefits by collaborating.

**NOW, THEREFORE**, in consideration of the promises and covenants contained in this Agreement, and other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged and agreed, the parties agree as follows:

#### **1.0 REPRESENTATIONS AND WARRANTIES**

**1.1 Party Representations and Warranties.** The parties independently represent and warrant that:

- a. There is no agreement to condition the amount transferred by the County nor the amount of Medicaid supplemental payments on the amount of indigent care the Affiliated Hospitals have provided or will provide;
- b. There is no agreement to condition the amount of the Affiliated Hospitals' indigent care obligation on the amount transferred by the County nor the amount of any Medicaid supplemental payment the Affiliated Hospitals might receive;
- c. No escrow, trust, or other funding mechanism exists, the amount of which is conditioned or contingent on the amount of indigent care services provided or to be provided by the Affiliated Hospitals; any escrow, trust or other funding mechanism utilized in connection with an anticipated intergovernmental transfer ("IGT") from the County will be disclosed to the Texas Health and Human Services Commission ("HHSC") and is not

used to effect a *quid pro quo* for the provision of indigent care services by or on behalf of the Affiliated Hospitals;

- d. The County has not received and will not receive refunds of payments the County made or makes to the Affiliated Hospitals for any purpose in consideration for an IGT by the County to fund Medicaid supplemental payments; and
- f. No party or any party representatives are excluded, debarred, or otherwise ineligible to participate in the federal health care programs as defined at 42 U.S.C. 1320a-7b(f).

## 2.0 OBLIGATIONS OF THE AFFILIATED HOSPITALS

- 2.1 **Agreement to Collaborate.** The Affiliated Hospitals agree to work collaboratively with the County to improve access to health care services for indigent persons<sup>1</sup> residing in the community.
- 2.2 **Documentation.** The Affiliated Hospitals agree to provide the County documentation at regular intervals, but not more frequently than quarterly, that demonstrates the amount and types of health care (including indigent health care and Medicaid services) historically provided in the community.
- 2.3 **Indigent Care Program Participation.** At all times during the term of this Agreement, the Affiliated Hospitals shall use their best efforts to maintain their qualification for participation in the Medicaid and Medicare programs.

## 3.0 OBLIGATIONS OF THE COUNTY

- 3.1 **Agreement to Collaborate with the Affiliated Hospitals.** The County agrees to work cooperatively with the Affiliated Hospitals to improve access to health care services for indigent persons residing in the community.
- 3.2 **No Condition on Medicaid Funding.** The County agrees that it will not condition the amount to which it funds the non-federal share of supplemental payments on a specified or required minimum amount of prospective indigent care.
- 3.3 **Retrospective Evaluation of Services.** The County may retrospectively evaluate the amount and impact of the Affiliated Hospitals' indigent care delivery and can rely on such historical information in determining whether and to what degree it will provide an IGT and/or set aside funds for an IGT in the future.

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<sup>1</sup> An indigent person is defined as any person who meets the income guidelines or other guidelines related to indigent status, established for participation in the Texas Medicaid program, Children's Health Insurance Program, County charity care program, or Affiliated Hospital charity care program.

- 3.4 **Documents Publicly Available.** The County agrees to make publicly available any documentation utilized in connection with IGTs of funds consistent with the Texas Public Information Act, Chapter 552, Government Code.
- 3.5 **Use of Public Revenue.** To the extent the County decides to provide funding for the Medicaid supplemental payment program, the County agrees to only use public funds as that term is defined in TEX. ADMIN CODE §355.8070 (b)(11), or as may be defined in future regulations consistent with this restriction.

#### 4.0 GENERAL PROVISIONS

- 4.1 **Admission of New Hospital.** Upon the prior written consent of the Affiliated Hospitals, the County may amend this Agreement to add one or more hospitals. A copy of any such amendment shall be provided to each party to this Agreement at the address set forth in Section 4.5 below.
- 4.2 **Withdrawal.** Any party may withdraw from this Agreement by providing written notice to the other parties at least ninety (90) days prior to the date of withdrawal.
- 4.3 **Compliance with HIPAA and State Privacy Requirements.** To the extent applicable to this Agreement, each party agrees to comply with the Health Insurance Portability and Accountability Act of 1996, as codified at 42 U.S.C. 1320d et seq. ("HIPAA"), as amended. Each party also agrees to comply with any State requirements that govern or pertain to the confidentiality, privacy, security of, and electronic transactions pertaining to health care information.
- 4.4 **Compliance with Federal and State Medicaid Supplemental Payment Requirements.** Each party shall comply with the following: (i) federal requirements that govern provider-related donations; (ii) State requirements for Medicaid supplemental payments to hospitals; (iii) the conditions approved by the Centers for Medicare and Medicaid Services for participation by governmental entities and private hospitals in the Medicaid supplemental payments program, as applicable; and (iv) The Medicaid Supplemental Payment Program Certification of Government Entity Participation and Certification of Hospital Participation, as applicable.
- 4.5 **Notices.** All notices required or permitted hereunder shall be in writing and shall be sufficiently given and deemed to have been received upon personal delivery, by overnight carrier, by email, or by United States mail, postage prepaid, registered or certified mail, addressed to the parties as follows:

County:                    ELLIS COUNTY COMMISSIONER'S COURT  
                                 Ellis County Courthouse  
                                 101 W. Main St.  
                                 Waxahachie, TX 75165  
                                 ATTN: County Judge

Affiliated Hospital: ENNIS REGIONAL MEDICAL CENTER  
2201 West Lampasas Street  
Ennis, TX 75119  
Attention: Chief Executive Officer

Affiliated Hospital: BAYLOR MEDICAL CENTER AT WAXAHACHIE  
1405 W. Jefferson  
Waxahachie, TX 75165  
Attention: Chief Executive Officer

With a copy to: Chief Legal Officer  
Law Department  
BAYLOR HEALTH CARE SYSTEM  
4005 Crutcher Street  
Suite 300  
Dallas, Texas 75246

- 4.6 **Relationships between the Parties.** The relationship between the County and the Affiliated Hospitals is solely a contractual relationship between independent contractors. No party hereto is an agent or employee of any other party. Nothing in this Agreement shall prevent any affiliation or contracting by any party with any third party.
- 4.7 **Governing Law.** This Agreement shall be governed by the laws of the State of Texas. The Affiliated Hospitals understand that the County is a political subdivision of the State of Texas and is governed by certain statutes applicable thereto.
- 4.8 **Venue.** Venue for any action involving the County arising out of this Agreement shall be in a court of competent jurisdiction in Ellis County, Texas, exclusively.
- 4.9 **Assignment.** No party may assign any right, obligation, or responsibility under this Agreement except to a successor in interest.
- 4.10 **No Third Party Beneficiary.** The parties to this Agreement do not intend to establish any third party beneficiary relationships by virtue of this Agreement.

## 5.0 TERM AND TERMINATION

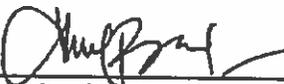
- 5.1 **Term.** The term of this Agreement shall be one year from the Effective Date and shall automatically continue thereafter for additional terms of one (1) year unless the parties agree otherwise; provided, however, that this Agreement shall terminate immediately in the event that the County withdraws from this Agreement or all Affiliated Hospitals withdraw from this Agreement pursuant to Section 4.2.

- 5.2 **Termination for Breach.** This Agreement may be terminated without penalty by any party upon the breach of any material term, condition, or representation and warranty by any other party if such breach is not corrected within thirty (30) calendar days after written notice thereof to the breaching party.
- 5.3 **Termination for Illegality or Frustration of Purpose.** If any provision of this Agreement or any action by any party hereunder is determined by the federal or State government, by a court of law, or pursuant to a formal legal opinion provided by counsel to a party to this Agreement, to be in violation of a federal or State requirement, or there is any change in any federal or State law, regulation, or federal or State agency interpretation thereof that adversely affects this Agreement or the actions of any party under this Agreement, and the parties are unable within thirty (30) calendar days after proper notice by a party to agree upon a new basis for continuation of this Agreement, any party may terminate this Agreement without penalty upon proper notice to the other parties. If any determination, change or interpretation referred to above is effective immediately, any party may terminate this Agreement without penalty, effective upon proper notice to the other parties.

IN WITNESS WHEREOF, the parties have hereunto set their hand as of the date set forth above.

**GOVERNMENTAL ENTITY:**

**ELLIS COUNTY COMMISSIONER'S COURT**

By  \_\_\_\_\_  
Hon. Carol Bush  
County Judge

**AFFILIATED HOSPITAL:**

**PRHC-ENNIS, L.P. D/B/A ENNIS REGIONAL MEDICAL  
CENTER**

By  \_\_\_\_\_  
David D. Anderson  
CEO

**AFFILIATED HOSPITAL:**

**BAYLOR MEDICAL CENTER AT WAXAHACHIE**

By Jay Fox  
Jay Fox  
President



**TEXAS HEALTH AND HUMAN SERVICES COMMISSION**

**MEDICAID SUPPLEMENTAL PAYMENT PROGRAM  
CERTIFICATION OF HOSPITAL PARTICIPATION**

**TPI Number: 135223905**

On behalf of **Baylor Medical Center at Waxahachie**, a privately owned and operated hospital licensed and in good standing under the laws of the State of Texas ("Hospital"), I, **Jay Fox**, affirm and certify the following:

**1. Authorization.**

- a. Hospital is a party to an Indigent Care Affiliation Agreement ("Affiliation Agreement") that was entered into between **Ellis County** ("Governmental Entity") and Hospital and/or a group of private hospitals that provide uncompensated care in the communities served by the Governmental Entity (the "Affiliated Hospitals").
- b. As a qualified private hospital that is affiliated with the Governmental Entity, Hospital receives supplemental Medicaid payments ("Supplemental Payments") from the Health and Human Services Commission ("HHSC") pursuant to either or both Section (z) of Attachment 4.19-A and Section (8) of Attachment 4.19-B of the Texas Medicaid State Plan and pursuant to the regulations at 1 Tex. Admin. Code. §355.8070 (the "Supplemental Payment Program").

**2. Assurances and Representations.**

- a. *Validity of Claims.* All claims filed by Hospital for Supplemental Payments have complied and will comply with the applicable regulations regarding the Medicaid upper limit provisions at Title 42, Code of Federal Regulations, Part 447, sections 447.272 and 447.321.

**b. Use of Supplemental Payments.**

- i. No funds derived from any Supplemental Payment received by Hospital have been or will be returned or reimbursed to the Local Governmental Entity.**
- ii. No other funds have been used to reimburse the Local Governmental Entity in consideration of any supplemental funds paid to Hospital.**
- iii. Hospital will not use any of the Supplemental Payments to fund any contingent fee arrangement or agreement or to pay for third-party consultant or legal services.**

**c. Agreements with Governmental Entity.**

- i. Hospital has not entered and will not enter into any agreement with the Governmental Entity to condition either the amount of the Public Funds transferred by the Governmental Entity or the amount of Medicaid supplemental payments Hospital receives on the amount of indigent care Hospital has provided or will provide;**
- ii. Hospital has not entered and will not enter into any agreement with the Governmental Entity to condition the amount of Hospital's indigent care obligation on either the amount of Public Funds transferred by the Governmental Entity to HHSC or the amount of Supplemental Payment Hospital may be eligible to receive;**
- iii. Neither Hospital nor any other entity acting on behalf of an Affiliated Hospital or group of Affiliated Hospitals has made or agreed to make cash or in-kind transfers to the Governmental Entity other than transfers and transactions that:**

- (1) Following the date this Certification was executed, are unrelated to the administration of the Supplemental Payment Program and/or the delivery of indigent care services under an affiliation agreement;**
- (2) Constitute fair market value for goods and/or services rendered or provided by the Governmental Entity to Hospital; and**
- (3) Represent independent, bona fide transactions negotiated at arms-length and in the ordinary course of business between Hospital and the Governmental Entity;**

**d. Assignment/Assumption of Governmental Entity Obligations.**

- i. Except as specified in paragraph 2.c.iii above, neither Hospital nor any other entity acting on behalf of an Affiliated Hospital or group of Affiliated Hospitals has, following the date this Certification was executed:
  - (1) Taken assignment or agreed to take an assignment of a contractual or statutory obligation of the Governmental Entity; or
  - (2) Authorized or consented to the assumption of a statutory or contractual obligation of the Governmental Entity by an Affiliated Hospital or any other entity acting on behalf of an Affiliated Hospital or group of Affiliated Hospitals.
- ii. In the event that Hospital had taken assignment of or assumed a contractual or statutory obligation of the Governmental Entity prior to the date of this Certification, Hospital will terminate the terms of such assignment or assumption no later than 120 calendar days after the date of this Certification.
- e. *Use of Financial Mechanisms.* With regard to any escrow, trust or other financial mechanism (an "Account") utilized in connection with an indigent care affiliation agreement or an IGT issued for a payment period that occurs after the effective date of this Certification, the following representations are true and correct:
  - i. The amount of any Account is not conditioned or contingent on the amount of indigent care services that an Affiliated Hospital provided or will provide;
  - ii. The Governmental Entity has disclosed the existence of any Account to HHSC; and
  - iii. Any such Account will not be used to affect a quid pro quo for the provision of indigent care services by or on behalf of the Affiliated Hospitals.

**3. *Deferral or Disallowance of Federal Financial Participation.***

- a. If the Centers for Medicare and Medicaid Services ("CMS") of the United States Department of Health and Human Services or any other lawful authority disallows, defers, or otherwise rejects, in whole or in part, a claim for federal financial participation based on a claim submitted by Hospital to HHSC for health care services provided under the Affiliation Agreement, HHSC will have the right, by set-off or recoupment, to recover the amount disallowed, deferred, or rejected by CMS, subject to Hospital's rights of administrative appeal.
- b. The set-off and/or recoupment may include any interest, fees, or sanctions assessed by CMS as a result of late repayment to CMS.

4. **Public Access to Affiliation Agreement.** Copies of the Affiliation Agreement shall be made available as provided under the Public Information Act (Chapter 552, Government Code) and will be provided to HHSC on request.

On behalf of Hospital, I hereby certify that I have read and understood the above statements; that the statements are true, correct, and complete; and that I am authorized to bind Hospital, and to certify to the above.

Jay Fox  
Signature

12-21-11  
Date

**Jay Fox, President**  
Name and Title (print or type)



**TEXAS HEALTH AND HUMAN SERVICES COMMISSION**

**MEDICAID SUPPLEMENTAL PAYMENT PROGRAM  
CERTIFICATION OF HOSPITAL PARTICIPATION**

**TPI Number: 121822403**

On behalf of PRHC-Ennis, L.P. d/b/a Ennis Regional Medical Center, a privately owned and operated hospital licensed and in good standing under the laws of the State of Texas ("Hospital"), I, David Anderson, affirm and certify the following:

**1. Authorization.**

- a. Hospital is a party to an Indigent Care Affiliation Agreement ("Affiliation Agreement") that was entered into between Ellis County ("Governmental Entity") and Hospital and/or a group of private hospitals that provide uncompensated care in the communities served by the Governmental Entity (the "Affiliated Hospitals").
- b. As a qualified private hospital that is affiliated with the Governmental Entity, Hospital receives supplemental Medicaid payments ("Supplemental Payments") from the Health and Human Services Commission ("HHSC") pursuant to either or both Section (z) of Attachment 4.19-A and Section (8) of Attachment 4.19-B of the Texas Medicaid State Plan and pursuant to the regulations at 1 Tex. Admin. Code. §355.8070 (the "Supplemental Payment Program").

**2. Assurances and Representations.**

- a. *Validity of Claims.* All claims filed by Hospital for Supplemental Payments have complied and will comply with the applicable regulations regarding the Medicaid upper limit provisions at Title 42, Code of Federal Regulations, Part 447, sections 447.272 and 447.321.

**b. *Use of Supplemental Payments.***

- i. No funds derived from any Supplemental Payment received by Hospital have been or will be returned or reimbursed to the Local Governmental Entity.**
- ii. No other funds have been used to reimburse the Local Governmental Entity in consideration of any supplemental funds paid to Hospital.**
- iii. Hospital will not use any of the Supplemental Payments to fund any contingent fee arrangement or agreement or to pay for third-party consultant or legal services.**

**c. *Agreements with Governmental Entity.***

- i. Hospital has not entered and will not enter into any agreement with the Governmental Entity to condition either the amount of the Public Funds transferred by the Governmental Entity or the amount of Medicaid supplemental payments Hospital receives on the amount of indigent care Hospital has provided or will provide;**
- ii. Hospital has not entered and will not enter into any agreement with the Governmental Entity to condition the amount of Hospital's indigent care obligation on either the amount of Public Funds transferred by the Governmental Entity to HHSC or the amount of Supplemental Payment Hospital may be eligible to receive;**
- iii. Neither Hospital nor any other entity acting on behalf of an Affiliated Hospital or group of Affiliated Hospitals has made or agreed to make cash or in-kind transfers to the Governmental Entity other than transfers and transactions that:**

- (1) Following the date this Certification was executed, are unrelated to the administration of the Supplemental Payment Program and/or the delivery of indigent care services under an affiliation agreement;**
- (2) Constitute fair market value for goods and/or services rendered or provided by the Governmental Entity to Hospital; and**
- (3) Represent independent, bona fide transactions negotiated at arms-length and in the ordinary course of business between Hospital and the Governmental Entity;**

**d. *Assignment/Assumption of Governmental Entity Obligations.***

- i. Except as specified in paragraph 2.c.iii above, neither Hospital nor any other entity acting on behalf of an Affiliated Hospital or group of Affiliated Hospitals has, following the date this Certification was executed:
  - (1) Taken assignment or agreed to take an assignment of a contractual or statutory obligation of the Governmental Entity; or
  - (2) Authorized or consented to the assumption of a statutory or contractual obligation of the Governmental Entity by an Affiliated Hospital or any other entity acting on behalf of an Affiliated Hospital or group of Affiliated Hospitals.
- ii. In the event that Hospital had taken assignment of or assumed a contractual or statutory obligation of the Governmental Entity prior to the date of this Certification, Hospital will terminate the terms of such assignment or assumption no later than 120 calendar days after the date of this Certification.
- c. *Use of Financial Mechanisms.* With regard to any escrow, trust or other financial mechanism (an "Account") utilized in connection with an indigent care affiliation agreement or an IGT issued for a payment period that occurs after the effective date of this Certification, the following representations are true and correct:
  - i. The amount of any Account is not conditioned or contingent on the amount of indigent care services that an Affiliated Hospital provided or will provide;
  - ii. The Governmental Entity has disclosed the existence of any Account to HHSC; and
  - iii. Any such Account will not be used to affect a quid pro quo for the provision of indigent care services by or on behalf of the Affiliated Hospitals.

**3. *Deferral or Disallowance of Federal Financial Participation.***

- a. If the Centers for Medicare and Medicaid Services ("CMS") of the United States Department of Health and Human Services or any other lawful authority disallows, defers, or otherwise rejects, in whole or in part, a claim for federal financial participation based on a claim submitted by Hospital to HHSC for health care services provided under the Affiliation Agreement, HHSC will have the right, by set-off or recoupment, to recover the amount disallowed, deferred, or rejected by CMS, subject to Hospital's rights of administrative appeal.
- b. The set-off and/or recoupment may include any interest, fees, or sanctions assessed by CMS as a result of late repayment to CMS.

4. **Public Access to Affiliation Agreement.** Copies of the Affiliation Agreement shall be made available as provided under the Public Information Act (Chapter 552, Government Code) and will be provided to HHSC on request.

On behalf of Hospital, I hereby certify that I have read and understood the above statements; that the statements are true, correct, and complete; and that I am authorized to bind Hospital, and to certify to the above.

  
\_\_\_\_\_  
Signature

12/21/11  
\_\_\_\_\_  
Date

David Anderson, CEO  
\_\_\_\_\_  
Name and Title (print or type)



**TEXAS HEALTH AND HUMAN SERVICES COMMISSION**

**MEDICAID HOSPITAL SUPPLEMENTAL PAYMENT PROGRAM  
CERTIFICATION OF GOVERNMENTAL ENTITY PARTICIPATION**

On behalf of Ellis County, a County organized  
under the laws of the State of Texas (hereinafter referred to as "the Governmental  
Entity"), I, Carol Bush, County Judge, affirm and certify the following:

**1. Legal Authorization.**

- a. The Governmental Entity is legally authorized to levy and collect ad valorem taxes, generate public revenue, or receive and expend appropriated public funds ("Public Funds");
- b. The Governmental Entity is legally authorized to enter into and has entered into Affiliation Agreements with one or more private hospitals ("the Affiliated Hospitals") for, among other purposes, providing indigent care in the community served by the Governmental Entity.

**2. Public Adoption and Access.**

- a. The governing body of the Governmental Entity adopted the conditions described in this certification by recorded vote taken in a public meeting held in compliance with the Texas Open Meetings Act, Chapter 551, Government Code;
- b. Copies of all Affiliation Agreements will be made available as provided under the Texas Public Information Act, Chapter 552, Government Code, and will be provided to HHSC on request.

**3. Funding of Intergovernmental Transfers and Supplemental Payments.**

- a. The Governmental Entity has or has agreed to transfer Public Funds to the Health and Human Services Commission ("HHSC") via intergovernmental transfer ("IGT") for use as the non-federal share of supplemental Medicaid payments (the "Supplemental Payments") to the Affiliated Hospitals in accordance with Section (z) of Attachment 4.19-A and Section (8) of Attachment 4.19-B of the Texas Medicaid State Plan ("the Supplemental Payment Program");
- b. All transfers of Public Funds by the Governmental Entity to HHSC to support the Supplemental Payments to the Affiliated Hospitals under the Supplemental Payment Program comply with:
  - i. The applicable regulations that govern provider-related donations codified at section 1903(w) of the Social Security Act (42 U.S.C. §1396b(w)), and Title 42, Code of Federal Regulations, Part 433, subpart B, sections 433.52 and 433.54;
  - ii. The conditions approved by the federal Centers for Medicare and Medicaid Services ("CMS") for governmental entities' and private hospitals' participation in the Supplemental Payment Program; and
  - iii. HHSC administrative rules codified at Title 1, Texas Administrative Code, chapter 355, Subchapter J, Division 4, section 355.8070;

**4. Assurances and Representations.**

- a. The Governmental Entity does not and will not at any time receive any part of the supplemental Medicaid payments that are made by HHSC to the Affiliated Hospitals under the Supplemental Payment Program;
- b. The Governmental Entity has not entered into a contingent fee arrangement related to the Governmental Entity's participation in the Supplemental Payment Program;
- c. The Governmental Entity has not entered and will not enter into any agreement to condition either the amount of the Public Funds transferred by the Governmental Entity or the amount of Medicaid supplemental payments an Affiliated Hospital receives on the amount of indigent care the Affiliated Hospital has provided or will provide;
- d. The Governmental Entity has not entered and will not enter into any agreement to condition the amount of any Affiliated Hospital's indigent care obligation on either the amount of Public Funds transferred by the Governmental Entity to HHSC or the amount of Supplemental Payment an Affiliated Hospital may be eligible to receive;

- e. With regard to any escrow, trust or other financial mechanism (an "Account") utilized in connection with an indigent care Affiliation Agreement or an IGT issued for a payment period that occurs after the effective date of this Certification, the following representations are true and correct:
- i. The amount of any Account is not conditioned or contingent on the amount of indigent care services that an Affiliated Hospital provided or will provide;
  - ii. The Governmental Entity has disclosed the existence of any Account to HHSC; and
  - iii. Any such Account will not be used to effect a quid pro quo for the provision of indigent care services by or on behalf of the Affiliated Hospitals;
- f. The Governmental Entity has not received and will not receive refunds of payments the Governmental Entity made or makes to an Affiliated Hospital for any purpose in consideration for an IGT of Public Funds by the Governmental Entity to HHSC to support the Supplemental Payments;
- g. The Governmental Entity has not received and will not receive any cash or in-kind transfers from an Affiliated Hospital or any other entity acting on behalf of an Affiliated Hospital or group of Affiliated Hospitals other than transfers and transactions that:
- i. Following the date this Certification was executed, are unrelated to the administration of the Supplemental Payment Program or the delivery of indigent care services under an Affiliation Agreement;
  - ii. Constitute fair market value for goods or services rendered or provided by the Governmental Entity to an Affiliated Hospital; and
  - iii. Represent independent, bona fide transactions negotiated at arms-length and in the ordinary course of business between the Affiliated Hospital and the Governmental Entity;
- h. The Governmental Entity has not:
- i. Following the date this Certification was executed, assigned or agreed to assign a contractual or statutory obligation of the Governmental Entity to an Affiliated Hospital or any other entity acting on behalf of an Affiliated Hospital or group of Affiliated Hospitals; or
  - ii. Authorized or consented to the assumption of a statutory or contractual obligation of the Governmental Entity by an Affiliated Hospital or any other entity acting on behalf of an Affiliated Hospital or group of Affiliated Hospitals.

**5. Evaluation.**

- a. Consistent with its constitutional, statutory, and fiduciary obligations, the Governmental Entity may evaluate a private hospital's historical experience in providing indigent care in the community or performance under an Affiliation Agreement including the impact and amount of indigent care provided by the hospital, for the following purposes:
  - i. To determine whether the Governmental Entity will enter into an Affiliation Agreement with a private hospital;
  - ii. To determine whether and to what degree the Governmental Entity will supply an IGT, provided such decision does not include consideration of matters prohibited under paragraph 4 of this Certification;
  - iii. To determine whether an Affiliated Hospital's participation benefited the community and whether its continued participation in the indigent care program is likely to continue to benefit the community; and/or
  - iv. To provide accountability to local taxpayers;
  
- b. The Governmental Entity's evaluation under this paragraph 5 may:
  - i. Occur on a schedule determined by the Governmental Entity, but not more often than once each calendar quarter;
  - ii. Be documented in a manner sufficient to confirm achievement of the Governmental Entity's mission and provide an appropriate and constitutional basis on which to transfer the Public Funds to HHSC; and
  - iii. Not include consideration of matters prohibited under paragraph 4 of this Certification.

On behalf of the Governmental Entity, I hereby certify that I have read and understood the above statements; that the statements are true, correct, and complete; and that I am authorized to bind the Governmental Entity and to certify to the above.

  
\_\_\_\_\_  
Signature

12/14/11  
\_\_\_\_\_  
Date

**Carol Bush, County Judge**  
\_\_\_\_\_  
Name and Title

Official Seal  
of the State of Texas

## FIRST AMENDMENT TO ELLIS COUNTY INDIGENT CARE AFFILIATION AGREEMENT

This First Amendment to Ellis County Indigent Care Affiliation Agreement ("First Amendment") is entered into to be effective the 11<sup>th</sup> day of December, 2012 ("Effective Date"), by and among Ellis County, a political subdivision organized under the laws of Texas (the "County"), PRHC-ENNIS, L.P. d/b/a Ennis Regional Medical Center, and Baylor Medical Center at Waxahachie, a Texas nonprofit corporation (collectively the "Affiliated Hospitals"). The County and the Affiliated Hospitals are sometimes referred to herein as the "Parties."

### RECITALS

A. The Affiliated Hospitals and the County entered into that certain Ellis County Indigent Care Affiliation Agreement effective December 31, 2011 (the "Agreement"), in order to collaborate in support of their mutual interest in addressing indigent care issues in Ellis County.

B. The Affiliated Hospitals and the County now desire to amend the Agreement in order to amend Section 2 regarding the services provided by Affiliated Hospitals.

F. The Parties intend no other changes or amendments to the Agreement.

THEREFORE, THE PARTIES AGREE AS FOLLOWS:

SECTION 1. **Definitions.** Capitalized terms used herein and not otherwise defined herein shall have the respective meanings assigned thereto in the Agreement.

SECTION 2. **Amendments.**

A. **Amendment No. 1:** The Parties agree to add new Section 2.2 to read as follows:

**"Services to be Provided.** The Affiliated Hospitals agree to work collaboratively with the County for the provision of health care services to indigent patients who meet the requirements and the criteria of the Ellis County Indigent Healthcare Program."

B. **Amendment No. 2.** The Parties agree that old Section 2.2 and Section 2.3 will be amended to Sections 2.3 and 2.4, respectively.

SECTION 3. **Effect of Amendments.** As a result of this First Amendment, the Agreement shall be deemed to be amended as hereinabove set forth in Section 2, and to govern the rights and obligations of the Parties as of the Effective Date.

SECTION 4. **Amendment Consistent with Agreement.** This First Amendment and the Agreement shall be read and interpreted to be consistent with each other. To the extent of any inconsistency between the express terms and conditions of this First Amendment or the Agreement, the express terms and conditions of this First Amendment shall control. Except as expressly amended hereby, the terms and provisions of the the Agreement are in all respects ratified and confirmed and shall remain in full force and effect.

SECTION 5. **Counterparts.** This First Amendment may be executed in one or more counterparts

with multiple signature pages, each fully executed copy shall be deemed an original, but all of which together shall constitute one and the same instrument.

SECTION 6. Headings. The section headings in this First Amendment have been inserted for convenience of reference only and shall in no manner affect the meaning or interpretation of the various provisions hereof.

SECTION 7. Governing Law and Venue. This First Amendment shall be governed by the laws of the State of Texas. This First Amendment is performable and enforceable in Ellis County, Texas, where the principal office is located, and the state or federal courts in Ellis County shall be the sole and exclusive venue for any litigation, special proceedings, or other proceeding as between the Parties that may be brought, or arise out of, in connection with, or by reason of this First Amendment. The Affiliated Hospitals understand that the County is a political subdivision of the State of Texas and governed by certain statutes applicable thereto.

IN WITNESS WHEREOF, the Parties have entered into this First Amendment to the Ellis County Indigent Care Affiliation Agreement as of the Effective Date.

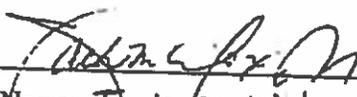
**ELLIS COUNTY**

By:   
Printed Name: Carol Bush  
Title: Ellis County Judge  
Date: 12/10/12

**BAYLOR MEDICAL CENTER AT  
WAXAHACHIE**

By:   
Printed Name: Jay Fox  
Title: \_\_\_\_\_  
Date: 12/11/12

**PRHC-ENNIS, L.P. D/BA/ ENNIS REGIONAL  
MEDICAL CENTER**

By:   
Printed Name: Jack M. W. Leox, Jr  
Title: CFO  
Date: 12/7/2012

3.6

## Rating Action: Moody's upgrades to Aa1 Ellis County's (TX) GO Bonds

30 Oct 2018

NOTE: On December 5, 2018, the press release was corrected as follows: The second contact was changed to Roger Brown. Revised release follows.

New York, October 30, 2018 – Moody's Investors Service has upgraded to Aa1 from Aa2 the County of Ellis' (TX) issuer rating, and rating on approximately \$40 million in previously issued limited tax debt.

## RATINGS RATIONALE

The upgrade to Aa1 reflects the county's large and growing tax base located south of the Dallas Fort Worth metroplex, healthy and growing reserves due to history of operating surpluses and prudent financial practices, and modest debt and pension burdens. The rating also considers the county's favorable employment metrics and above average residential concentration.

The Aa1 GOLT rating is the same as the issuer rating, reflecting ample taxing headroom which offsets the limitation under the property tax caps, lack of full faith and credit pledge, and inability to override the statutory tax cap.

## RATING OUTLOOK

Moody's does not typically assign outlooks to local government credits with this amount of debt outstanding.

## FACTORS THAT COULD LEAD TO AN UPGRADE

- Significant increase in taxable values; diversification of economy
- Material growth in reserves

## FACTORS THAT COULD LEAD TO A DOWNGRADE

- Considerable tax base decline
- Material decrease in reserves
- Significant increase in debt profile or fixed cost burden

## LEGAL SECURITY

The general obligation bonds are secured by an annual ad valorem tax levied against all taxable property in the county, within the limits prescribed by law.

## USE OF PROCEEDS

Not applicable.

## PROFILE

The county is located directly south of Dallas County (Aaa stable) with a population of approximately 169,600 within 21 square miles. The county's largest cities are Midlothian (Aa3), Ennis and Waxahachie (Aa2), which serves as the county seat.

## METHODOLOGY

The principal methodology used in these ratings was US Local Government General Obligation Debt published in December 2016. Please see the Rating Methodologies page on [www.moody.com](http://www.moody.com) for a copy of this methodology.

## REGULATORY DISCLOSURES

For ratings issued on a program, series or category/class of debt, this announcement provides certain regulatory disclosures in relation to each rating of a subsequently issued bond or note of the same series or category/class of debt or pursuant to a program for which the ratings are derived exclusively from existing ratings in accordance with Moody's rating practices. For ratings issued on a support provider, this announcement provides certain regulatory disclosures in relation to the credit rating action on the support provider and in relation to each particular credit rating action for securities that derive their credit ratings from the support provider's credit rating. For provisional ratings, this announcement provides certain regulatory disclosures in relation to the provisional rating assigned, and in relation to a definitive rating that may be assigned subsequent to the final issuance of the debt, in each case where the transaction structure and terms have not changed prior to the assignment of the definitive rating in a manner that would have affected the rating. For further information please see the ratings tab on the issuer/entity page for the respective issuer on [www.moody.com](http://www.moody.com).

Regulatory disclosures contained in this press release apply to the credit rating and, if applicable, the related rating outlook or rating review.

Please see [www.moody.com](http://www.moody.com) for any updates on changes to the lead rating analyst and to the Moody's legal entity that has issued the rating.

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## Related Issuers

[Ellis \(County of\) TX](#)

## Related Research

[Credit Opinion: Ellis \(County of\) TX: Update to credit analysis after upgrade to Aa1](#)

[Rating Action: Moody's Assigns 1,464 Issuer Ratings](#)

[Issuer Comment: Ellis County, TX: Annual Comment on Ellis County](#)

[Rating Action: Moody's Assigns Aa2 to Ellis County's, TX's Limited Tax Refunding Bonds, Series 2016](#)

[New Issue: Ellis \(County of\) TX: New Issue: Moody's Assigns Aa2 to Ellis County's, TX's Limited Tax Refunding Bonds, Series 2016](#)

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3.7

GOVERNMENT FINANCE OFFICERS ASSOCIATION  
**NEWS RELEASE**

**FOR IMMEDIATE RELEASE**

10/22/2018

**For more information contact:**  
**Michele Mark Levine, Director/TSC**  
**Phone: (312) 977-9700**  
**Fax: (312) 977-4806**  
**E-mail: [mlevine@gfoa.org](mailto:mlevine@gfoa.org)**

(Chicago, Illinois)--The Certificate of Achievement for Excellence in Financial Reporting has been awarded to **Ellis County** by Government Finance Officers Association of the United States and Canada (GFOA) for its comprehensive annual financial report (CAFR). The Certificate of Achievement is the highest form of recognition in the area of governmental accounting and financial reporting, and its attainment represents a significant accomplishment by a government and its management.

An Award of Financial Reporting Achievement has been awarded to the individual(s) or department designated by the government as primarily responsible for preparing the award-winning CAFR.

The CAFR has been judged by an impartial panel to meet the high standards of the program, which includes demonstrating a constructive "spirit of full disclosure" to clearly communicate its financial story and motivate potential users and user groups to read the CAFR.

*Government Finance Officers Association is a major professional association servicing the needs of nearly 19,000 appointed and elected local, state, and provincial-level government officials and other finance practitioners. It provides top quality publications, training programs, services, and products designed to enhance the skills and performance of those responsible for government finance policy and management. The association is headquartered in Chicago, Illinois, with offices in Washington, D.C.*



Government Finance Officers Association  
203 North LaSalle Street, Suite 2700  
Chicago, Illinois 60601-1210  
312.977.9700 fax: 312.977.4806

October 22, 2018

Miykael Reeve, CGFO  
Auditor  
Ellis County  
101 West Main Street  
Suite 302  
Waxahachie, TX 75165

Dear Ms. Reeve:

We are pleased to notify you that your 2017 fiscal year end comprehensive annual financial report (CAFR) qualifies for GFOA's Certificate of Achievement for Excellence in Financial Reporting. The Certificate of Achievement is the highest form of recognition in governmental accounting and financial reporting, and its attainment represents a significant accomplishment. Congratulations for having satisfied the high standards of the program. We hope that your example will encourage others in their efforts to achieve and maintain an appropriate standard of excellence in financial reporting.

A "Summary of Grading" form and a confidential list of comments and suggestions for possible improvements are enclosed. We want to strongly encourage the recommended improvements be made in the next report, and that the report be submitted to the program within six months of your next fiscal year end. Certificate of Achievement Program policy requires that written responses to the comments and suggestions for improvement accompany the next fiscal year's submission. The written responses should provide details about how each item is addressed within this report. These responses will be provided to those Special Review Committee members participating in the review. If a comment is unclear or there appears to be a discrepancy, please contact the Technical Services Center at (312) 977-9700 and ask to speak with a Certificate of Achievement Program in-house reviewer.

When a Certificate of Achievement for Excellence in Financial Reporting is awarded to a government, an Award of Financial Reporting Achievement (AFRA) is also presented to the individual(s) or department designated by the government as primarily responsible for its having earned the Certificate. An AFRA is enclosed for the preparer as designated on the application.

Continuing participants will find a brass medallion enclosed with these results. First-time recipients will receive a plaque in about 10 weeks. We hope that appropriate publicity will be given to this notable achievement. A sample news release has been enclosed.

A current holder of a Certificate of Achievement may include a reproduction of the Certificate in its immediately subsequent CAFR. A camera-ready copy of your Certificate is enclosed for that purpose. If you reproduce your Certificate in your next report, please refer to the enclosed instructions. A Certificate of Achievement is valid for a period of one year.

A Certificate of Achievement Program application is posted on GFOA's website. This application must be completed and accompany your next submission. See sections III and IV of the application for instructions. **The entity's GFOA membership number appears on the attached comments and must be listed on the application.** Your continued interest in and support of the Certificate of Achievement Program is most appreciated. If we may be of any further assistance, please contact the Technical Services Center at (312) 977-9700.

Sincerely,

A handwritten signature in cursive script that reads "Michele Mark Levine".

Michele Mark Levine  
Director, Technical Services Center



Government Finance Officers Association

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Presented to

**Ellis County  
Texas**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**September 30, 2017**

*Christopher P. Morrill*

Executive Director/CEO

# Certificate of Achievement For Excellence in Financial Reporting

## Summary of Grading

Name of Unit: Ellis County  
Fiscal Year of Report FY2017

Report # 3,078.00

GFOA Member ID Number 300055529

The Certificate of Achievement Program Special Review Committee (SRC) has completed its review of your comprehensive annual financial report (CAFR). Listed below are the grading categories used and a summary of the SRC's evaluation of your CAFR. The detailed comments and suggestions for reporting improvements on the attached listing are grouped under similar grading categories. Any category which received a grade of "Needs Significant Improvement" indicates an area of particular concern to the SRC and the related comments and suggestions for improvement in this category should be given special attention. An indication is provided on the list by the specific comments(s) or category(ies) that were the cause of receiving this grade. For each item, the notation also states whether it is 1) the basis or part of the basis for the CAFR not receiving the Certificate of Achievement, 2) a serious deficiency which will almost certainly preclude the awarding of the Certificate of Achievement if it is not corrected in your next CAFR, or 3) a deficiency, that if not corrected in future CAFRs, could result in the Certificate of Achievement not being awarded.

### Grading Category

### Grade

Cover, table of contents, and formatting	Proficient
Introductory section	Proficient
Report of the independent auditor	Proficient
Management's discussion and analysis (MD&A)	Proficient
Basic financial statements (preliminary considerations)	Proficient
Government-wide financial statements	Proficient
Fund financial statements (general considerations)	Proficient
Governmental fund financial statements	Proficient
Proprietary fund financial statements	Not Applicable
Fiduciary fund financial statements	Proficient
Summary of significant accounting policies (SSAP)	Proficient
Note disclosure (other than the SSAP and pension-related disclosures)	Proficient
Pension-related note disclosures	Proficient
Required supplementary information (RSI)	Proficient
Combining and individual fund information and other supplementary information	Proficient
Statistical section	Proficient
Other considerations	Proficient

## Miscellaneous and Technical Assumptions

3.8

<b>Administrative Expenses</b>	No explicit assumption has been made for administrative ex
<b>Claims Utilization</b>	To model the impact of aging on the underlying health care costs, the valuation relied on the Society of Actuaries' 2013 Study "Health Care Costs – From Birth to Death". Chart 1 (2010 Aggregate Commercial Costs) was used to model the impact of aging for ages less than 65 and Table 4 (Development of Plan Specific Medicare Age Curve) was used to model the impact of aging for ages 65 and over.
<b>Decrement Timing</b>	Decrements of all types are assumed to occur mid-year.
<b>Decrement Operation</b>	Ordinary disability does not operate during retirement eligibility, however duty disability is assumed to operate during retirement eligibility.
<b>Eligibility Testing</b>	Eligibility for benefits is determined based upon the age nearest birthday and service nearest whole year on the date the decrement is assumed to occur.
<b>Marriage Assumption</b>	Male spouses are assumed to be three years older than female spouses for active member valuation purposes.
<b>Medicare Coverage</b>	Assumed to be available for all covered employees on attainment of age 65. Disabled retirees were assumed to be eligible for Medicare coverage at age 65.
<b>Election Percentage</b>	<p>For pre-65 retirees, it was assumed that 50% would choose to receive retiree health care benefits through the County. Upon reaching age 65, 40% are assumed to discontinue coverage.</p> <p>For post-65 retirees, it was assumed that 30% would choose to receive retiree health care benefits through the County.</p> <p>Of those assumed to elect coverage, 25% were assumed to elect two-person coverage. For those that elect two-person coverage, it was assumed that coverage would not continue to the spouse upon death of the retiree.</p>
<b>Demographic Assumptions</b>	This report has used the same demographic assumptions used to value the defined benefit retirement plan in which the members participate. We are reliant upon the retirement plan actuary to develop the demographic assumptions. Based on our experience, the assumptions appear reasonable.

## Miscellaneous and Technical Assumptions

### Excise Tax and Health Care Reform

The ultimate trend assumption was increased from 4.25% to 5.25% to reflect the anticipated impact of the excise tax on high-cost employer health plans effective January 1, 2022. The "Cadillac" tax is a 40% excise tax paid by the coverage provider (employer and/or insurer) on the value of health plan costs in excess of legislated thresholds. The thresholds will be indexed at CPI-U, which is lower than the medical inflation rates affecting the cost of the plans. As a result, many plans that are below the thresholds today are likely to exceed them in the next decade.

# Assumption, Method, and Plan Changes

**Assumption, Method, and  
Plan Changes**

The discount rate decreased from 3.81% as of December 31, 2016 to 3.31% as of December 31, 2017. This change increased the total OPEB liability.

## **SECTION G**

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### **GLOSSARY OF TERMS**

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## Glossary of Terms

<b>Accrued Service</b>	Service credited under the system that was rendered before the date of the actuarial valuation.
<b>Actuarial Assumptions</b>	These assumptions are estimates of future experience with respect to rates of mortality, disability, turnover, retirement, rate or rates of investment income and compensation increases. Actuarial assumptions are generally based on past experience, often modified for projected changes in conditions. Economic assumptions (compensation increases, payroll growth, inflation and investment return) consist of an underlying real rate of return plus an assumption for a long-term average rate of inflation.
<b>Actuarial Cost Method</b>	A mathematical budgeting procedure for allocating the dollar amount of the actuarial present value of the OPEB trust benefits between future normal cost and actuarial accrued liability. The actuarial cost method may also be referred to as the actuarial funding method.
<b>Actuarial Gain (Loss)</b>	The difference in liabilities between actual experience and expected experience during the period between two actuarial valuations is the gain (loss) on the accrued liabilities.
<b>Actuarial Valuation</b>	The actuarial valuation report determines, as of the actuarial valuation date, the service cost, total OPEB liability, and related actuarial present value of projected benefit payments for OPEB.
<b>Actuarial Valuation Date</b>	The date as of which an actuarial valuation is performed.
<b>Actuarially Determined Contribution (ADC) or Annual Required Contribution (ARC)</b>	A calculated contribution into an OPEB plan for the reporting period, most often determined based on the funding policy of the plan. Typically the Actuarially Determined Contribution has a normal cost payment and an amortization payment.
<b>Covered-Employee Payroll</b>	The payroll of employees that are provided with benefits through the OPEB plan.
<b>Deferred Inflows and Outflows</b>	The deferred inflows and outflows of OPEB resources are amounts used under GASB Statement No. 75 in developing the annual OPEB expense. Deferred inflows and outflows arise with differences between expected and actual experiences; changes of assumptions. The portion of these amounts not included in the OPEB expense should be included in the deferred inflows or outflows of resources.

## Glossary of Terms

### **Discount Rate**

For GASB purposes, the discount rate is the single rate of return that results in the present value of all projected benefit payments to be equal to the sum of the funded and unfunded projected benefit payments, specifically:

1. The benefit payments to be made while the OPEB plans' fiduciary net position is projected to be greater than the benefit payments that are projected to be made in the period; and
2. The present value of the benefit payments not in (1) above, discounted using the municipal bond rate.

For plans that do not have formal assets, the discount rate will equal the prevailing municipal bond rate.

### **Entry Age Actuarial Cost Method (EAN)**

The EAN is a cost method for allocating the costs of the plan between the normal cost and the accrued liability. The actuarial present value of the projected benefits of each individual included in an actuarial valuation is allocated on a level basis (either level dollar or level percent of pay) over the earnings or service of the individual between entry age and assumed exit ages(s). The portion of the actuarial present value allocated to a valuation year is the normal cost. The portion of this actuarial present value not provided for at a valuation date by the actuarial present value of future normal costs is the actuarial accrued liability. The sum of the accrued liability plus the present value of all future normal costs is the present value of all benefits.

### **Fiduciary Net Position**

The fiduciary net position is the market value of the assets of the trust dedicated to the defined benefit provisions.

### **GASB**

The Governmental Accounting Standards Board is an organization that exists in order to promulgate accounting standards for governmental entities.

### **Multiple-Employer Defined Benefit OPEB Plan**

A multiple-employer plan is a defined benefit OPEB plan that is used to provide OPEB payments to the employees of more than one employer.

### **Municipal Bond Rate**

The Municipal Bond Rate is the discount rate to be used for those benefit payments that occur after the assets of the trust have been depleted.

### **Net OPEB Liability (NOL)**

The NOL is the liability of employers and non-employer contributing entities to plan members for benefits provided through a defined benefit OPEB plan.

## Glossary of Terms

<b>Non-Employer Contributing Entities</b>	Non-employer contributing entities are entities that make contributions to an OPEB plan that is used to provide OPEB payments to the employees of other entities. For purposes of the GASB accounting statements, plan members are not considered non-employer contributing entities.
<b>Other Postemployment Benefits (OPEB)</b>	All postemployment benefits other than retirement income (such as death benefits, life insurance, disability, and long-term care) that are provided separately from a pension plan, as well as postemployment healthcare benefits regardless of the manner in which they are provided. Other post-employment benefits do not include termination benefits.
<b>Real Rate of Return</b>	The real rate of return is the rate of return on an investment after adjustment to eliminate inflation.
<b>Service Cost</b>	The service cost is the portion of the actuarial present value of projected benefit payments that is attributed to a valuation year.
<b>Total OPEB Expense</b>	<p>The total OPEB expense is the sum of the following items that are recognized at the end of the employer's fiscal year:</p> <ol style="list-style-type: none"><li>1. Service Cost</li><li>2. Interest on the Total OPEB Liability</li><li>3. Current-Period Benefit Changes</li><li>4. Employee Contributions (made negative for addition here)</li><li>5. Projected Earnings on Plan Investments (made negative for addition here)</li><li>6. OPEB Plan Administrative Expense</li><li>7. Other Changes in Plan Fiduciary Net Position</li><li>8. Recognition of Outflow (Inflow) of Resources due to Liabilities</li><li>9. Recognition of Outflow (Inflow) of Resources due to Assets</li></ol> <p>Note: Items 5, 7 and 9 are not applicable to unfunded plans.</p>
<b>Total OPEB Liability (TOL)</b>	The TOL is the portion of the actuarial present value of projected benefit payments that is attributed to past periods of member service.

**SECTION C**

---

**SUMMARY OF BENEFITS**

# Summary of Benefits

As of December 31, 2017

## Plan Participants

Retirees/beneficiaries drawing monthly annuities through TCDRS.

## Normal Retirement Benefits

Rule of 75 (age plus service totals 75 or more); or  
At least 60 years old with at least 8 years of service; or  
20 years and any age.

### Health Care Benefit Eligibility Conditions

Must be drawing a monthly annuity  
Can continue benefits in effect on date of retirement  
No open enrollment opportunity (can drop coverage at any time, but cannot add)  
Beneficiary can continue enrollment in plan as long as beneficiary is drawing monthly annuity

### Health Care Benefit Provided by Plan

Member -- \$412.67/month (County subsidy \$412.67)  
Spouse -- \$916.13/month (County subsidy \$916.13)  
Member + 1 child -- \$527.19 (County subsidy \$527.19)  
Member + 2 or more children -- \$664.63 (County subsidy \$664.63)  
Member + family -- \$1,103.28/month (County subsidy \$1,103.28)  
Dental -- \$30.08/month/participant (\$1.30 above County's cost)

## Early Retirement Benefits

Not applicable.

## Deferred Retirement Benefits

No health care benefit eligibility under deferred retirement.

## Life Insurance Coverage

Not applicable.

## Monthly Premiums Effective October 1, 2017

	Retiree	Retiree & Spouse
Member Premium	\$412.67	\$916.13
<u>County Subsidy</u>	<u>\$412.67</u>	<u>\$916.13</u>
Gross Medical Premium	\$825.34	\$1,832.26

## **SECTION D**

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### **UNDERLYING RETIREE CLAIMS COST DEVELOPMENT**

## Underlying Retiree Claims Cost Development

The retiree costs were estimated based on the plan premiums effective October 1, 2017, and are used for both current and future retirees. An inherent assumption in this methodology is that the projected future retirees will have a similar distribution by plan type as the current retirees. The fully-insured premiums the County pays its insurance carrier are blended rates based on the combined experience of active and retired members. Because the average cost of providing health care benefits to retirees under age 65 is higher than the average cost of providing health care benefits to active employees, there can be an implicit employer subsidy for the non-Medicare eligible retirees. Because the health plan is secondary to Medicare, the underlying costs for the Medicare retirees are less than the blended premiums which creates a negative implicit subsidy associated with the premiums paid on behalf of the Medicare retirees. The overall implicit subsidy in any one year may be negative or positive depending on the distribution of Medicare and non-Medicare retirees on the plan.

Age-graded and sex-distinct per capita costs are utilized by this valuation. These costs are appropriate for the unique age and sex distribution currently existing. Over the future years covered by this valuation, the age and sex distribution will most likely change. Therefore, our process "distributes" the average rate over all age/sex combinations and assigns a unique rate for each combination. The age/sex specific costs more accurately reflect the health care utilization and cost at that age.

The monthly per capita costs including medical and prescription drug benefits at select ages are shown below:

<b>For Those Not Eligible For Medicare</b>		
<b>Age</b>	<b>Male</b>	<b>Female</b>
40	\$496.19	\$806.28
50	804.33	990.85
60	1,366.99	1,346.01
64	1,662.29	1,568.75

Health Plan Coverage continues after retiree is Medicare eligible. It was assumed that all retirees are required to enroll in Medicare Parts A and B at age 65.

<b>For Those Eligible For Medicare</b>		
<b>Age</b>	<b>Male</b>	<b>Female</b>
65	\$563.45	\$531.44
75	659.23	643.26
85	697.10	705.31

## **SECTION E**

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### **SUMMARY OF PARTICIPANT DATA**

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**Ellis County**  
**Total Active Members as of December 31, 2017**  
**By Attained Age and Years of Service**

Attained Age	Years of Service to Valuation Date							Total
	0-4	5-9	10-14	15-19	20-24	25-29	30 Plus	
Under 20	2							2
20-24	22	1						23
25-29	38	7						45
30-34	25	15	14					54
35-39	20	12	17	10				59
40-44	13	6	14	14	2	1		50
45-49	21	9	8	8	9	6		61
50-54	19	15	17	9	7	1		68
55-59	16	11	10	11	6	1	4	59
60-64	8	7	6	3	1		3	28
65 & Over	6	2	5	2	1	1	1	18
<b>Totals</b>	<b>190</b>	<b>85</b>	<b>91</b>	<b>57</b>	<b>26</b>	<b>10</b>	<b>8</b>	<b>467</b>

While not used in the financial computations, the following group averages are computed and shown because of their general interest.

Age: 44.9 years  
Service: 9.8 years

**Ellis County**  
**Total Retired Members as of December 31, 2017**  
**By Attained Age**

Attained Age	Number of Retirees		
	Male	Female	Total
Under 55	0	1	1
55-59	0	1	1
60-64	6	5	11
65 & Over	13	17	30
<b>Totals</b>	<b>19</b>	<b>24</b>	<b>43</b>

The number counts above only include those retirees who have elected to receive retiree health care coverage through the Ellis County Retiree Health Care Plan.

## **SECTION F**

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### **VALUATION METHODS AND ACTUARIAL ASSUMPTIONS**

## Valuation Methods

**Actuarial Cost Method** – Normal cost and the allocation of benefit values between service rendered before and after the valuation date were determined using an **Individual Entry-Age Actuarial Cost Method** having the following characteristics:

- (i) the annual normal cost for each individual active member, payable from the date of employment to the date of retirement, is sufficient to accumulate the value of the member's benefit at the time of retirement; and
- (ii) each annual normal cost is a constant percentage of the member's year-by-year projected covered pay.

Actuarial gains/(losses), as they occur, reduce/(increase) the Unfunded Actuarial Accrued Liability.

## Actuarial Assumptions

The rate of inflation is assumed to be 2.50% per year.

The discount rate of 3.31% is based on the measurement date of December 31, 2017.

The rates of salary increase used for individual members are in accordance with the following table. This assumption is used to project a member's current salary to the salaries upon which future contributions will be based.

Years of Service	% Increase in Salary at Sample Years of Service and Entry Ages*			
	Before 30	Ages 30 - 39	Ages 40 - 49	Ages 50 and later
0	5.00%	4.50%	4.00%	3.50%
1	4.25	3.75	3.25	2.75
2	3.85	3.35	2.85	2.35
3	3.50	3.00	2.50	2.00
4	3.15	2.65	2.25	1.85
5	2.90	2.55	2.15	1.70
10	2.00	1.70	1.40	1.05
15	1.50	1.23	0.90	0.80
20	1.10	0.85	0.65	0.55
25	0.85	0.60	0.50	0.50
30 & Over	0.60	0.60	0.50	0.50

\* These rates do not include the wage inflation rate of 3.25% per year.

# Actuarial Assumptions

## The rates of post retirement mortality for healthy retirees:

The gender distinct RP-2014 Healthy Annuitant Mortality Tables are used with rates for males multiplied by 130% and rates for females multiplied by 110%. For healthy retirees, the valuation employs fully generational mortality projections based on 110% of the ultimate rates of Scale MP-2014.

## The rates of post retirement mortality for disabled retirees:

The gender distinct RP-2014 Disabled Retiree Mortality Tables are used with rates for males multiplied by 130% and rates for females multiplied by 115%. For disabled retirees, the valuation employs fully generational mortality projections based on 110% of the ultimate rates of Scale MP-2014.

## The rates of mortality for active members:

The gender distinct RP-2014 Employee Mortality Tables are used with rates for males and females multiplied by 90%. For active members, the valuation employs fully generational mortality projections based on 110% of the ultimate rates of Scale MP-2014.

The rates of retirement are shown in the following table:

Retirement Ages	Rates of Retirement
40-44	4.5%
45-49	9.0
50	10.0
51-53	9.0
54-57	10.0
58-61	12.0
62	20.0
63-64	15.0
65-66	25.0
67	22.0
68-69	20.0
70-74	22.0
75	100.0

## Actuarial Assumptions

Rates of separation from active membership were as shown below (rates do not apply to members eligible to retire and do not include separation on account of death or disability). This assumption measures the probabilities of members remaining in employment.

Service	Entry Age <30		Entry Age 30-39		Entry Age 40-49		Entry Age 50 and Up	
	Male	Female	Male	Female	Male	Female	Male	Female
0	36.74%	39.82%	30.58%	33.22%	26.07%	28.16%	24.53%	26.51%
1	25.08	27.28	21.12	22.88	17.93	19.47	16.94	18.26
2	18.70	20.24	15.84	17.16	13.42	14.63	12.65	13.75
3	14.85	16.06	12.65	13.75	10.78	11.66	10.12	11.00
4	12.21	13.31	10.56	11.44	9.02	9.68	8.47	9.13
5	10.89	11.88	9.46	10.34	8.03	8.80	7.59	8.25
6	9.68	10.45	8.47	9.13	7.15	7.81	6.71	7.37
7	8.58	9.35	7.59	8.25	6.49	7.04	6.05	6.60
8	7.15	7.70	6.38	6.82	5.39	5.83	5.06	5.50
9	6.82	7.37	6.16	6.60	5.17	5.61	4.95	5.28
10	6.05	6.49	5.50	5.94	4.62	5.06	4.40	4.73
11	5.28	5.72	4.84	5.28	4.18	4.51	3.85	4.18
12	4.84	5.17	4.40	4.84	3.74	4.07	3.52	3.85
13	4.29	4.62	3.96	4.40	3.41	3.74	3.19	3.52
14	3.85	4.07	3.63	3.85	3.08	3.30	2.86	3.08
15	3.30	3.63	3.19	3.41	2.64	2.97	2.53	2.75
16	2.86	3.08	2.75	2.97	2.31	2.53	2.20	2.42
17	2.53	2.75	2.42	2.64	2.09	2.20	1.98	2.09
18	2.20	2.31	2.09	2.31	1.76	1.98	1.65	1.87
19	1.87	2.09	1.87	2.09	1.65	1.76	1.54	1.65
20	1.73	1.95	1.73	1.95	1.51	1.62	1.43	1.54
21	1.57	1.79	1.57	1.79	1.35	1.46	1.32	1.43
22	1.43	1.65	1.43	1.65	1.21	1.32	1.21	1.32
23	1.36	1.54	1.36	1.54	1.14	1.25	1.14	1.23
24	1.30	1.43	1.30	1.43	1.08	1.19	1.08	1.14
25	1.23	1.32	1.23	1.32	1.01	1.12	1.01	1.06
26	1.17	1.21	1.17	1.21	0.95	1.06	0.95	0.97
27	1.10	1.10	1.10	1.10	0.88	0.99	0.88	0.88
28	1.03	0.99	1.03	0.99	0.81	0.92	0.81	0.79
29	0.97	0.88	0.97	0.88	0.75	0.86	0.75	0.70
30	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

# Actuarial Assumptions

Rates of disability among active members. Sample rates are shown below:

Ordinary Disability		
Age	Male	Female
25	0.000%	0.000%
30	0.009	0.009
35	0.018	0.018
40	0.042	0.042
45	0.069	0.069
50	0.125	0.125
55	0.222	0.222
60	0.000	0.000

Duty Disability		
Age	Male	Female
25	0.000%	0.000%
30	0.000	0.000
35	0.001	0.001
40	0.002	0.002
45	0.004	0.004
50	0.010	0.010
55	0.018	0.018
60	0.018	0.018

# Actuarial Assumptions

Health cost increases are displayed in the following table:

Year	Health Care Trend Inflation Rates
	Medical and Drug
2018	7.50%
2019	7.20
2020	6.90
2021	6.70
2022	6.50
2023	6.30
2024	6.10
2025	5.90
2026	5.70
2027	5.50
2028	5.30
2029 & Later	5.25

**SECTION A**

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**EXECUTIVE SUMMARY**

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## Executive Summary

### Fiscal Year Ending September 30, 2018

Actuarial Valuation Date	December 31, 2017
Measurement Date of the Total OPEB Liability	December 31, 2017
Employer's Fiscal Year Ending Date (Reporting Date)	September 30, 2018

#### Membership

Number of	
- Retirees and Beneficiaries	43
- Inactive, Nonretired Members	0
- Active Members	467
- Total	510
Covered Payroll	\$ 21,472,469

#### Total OPEB Liability

Total OPEB Liability	\$ 19,077,529
Total OPEB Liability as a Percentage of Covered Payroll	88.85 %

#### Development of the Single Discount Rate

Long-Term Municipal Bond Rate*	3.31 %
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<b>Total OPEB Expense</b>	<b>\$ 1,940,427</b>
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\* Source: Fixed-income municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in the Fidelity "20-Year Municipal GO AA Index" as of December 31, 2017.

## Discussion

### Accounting Standard

GASB Statement No. 75 replaces the requirements of Statements No. 45, Accounting and Financial Reporting by Employers for Postemployments Benefits Other Than Pensions, as amended, and No. 57, OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans, for OPEB.

Reporting under GASB Statement No. 75 is effective for fiscal years commencing after June 15, 2017.

The following discussion provides a summary of the information that is required to be disclosed under this new accounting standard. A number of these disclosure items are provided in this report. However, certain information within the OPEB note disclosure regarding accounting policies and investments (if any) is not included in this report. As a result, the employer is responsible for preparing and disclosing the non-actuarial information needed to comply with these accounting standards.

### Financial Statements

For plans that do not have formal trusts, GASB Statement No. 75 requires state and local government employers to recognize the total OPEB liability and the OPEB expense on their financial statements, along with the related deferred outflows and inflows of resources. In traditional actuarial terms, the total OPEB liability is analogous to the actuarial accrued liability.

GASB Statement No. 75 states the benefit payments and administrative costs incurred subsequent to the measurement date and before the end of the employer's reporting period should be reported as a deferred outflow of resources. The information contained in this report does not provide the benefit payments made subsequent to the measurement date. It is the responsibility of the employer to establish the deferred outflow related to the contributions/benefit payments paid after the measurement date.

### Implicit Subsidy

GASB Statements No. 75 and No. 68 are conceptually very similar in terms of the liability which is recognized on the balance sheet, the expense calculation, and the corresponding deferred outflows and inflows of resources. The main differences between the standards are related to the differences between pension and health care benefits. One particular difference is a concept referred to as the "implicit subsidy", which applies to health plans that utilize blended premiums, that has no counterpart in GASB Statement No. 68. The County's health plan utilizes a "blended premium" structure. Said another way, the overall health care premiums for active employees, non-Medicare retirees and post-65 retirees are stated in terms of a single "blended premium". The difference between the underlying retiree claims and the blended overall health care premium is referred to as an "implicit" or "hidden" subsidy. Because the underlying claims costs for a non-Medicare retiree are on average higher than the blended premium, there can be a positive implicit subsidy for the non-Medicare retirees. Because the health plan is secondary to Medicare, the underlying costs for the Medicare retirees are less than the blended premiums which creates a negative implicit subsidy associated with the premiums paid on behalf of the Medicare retirees. The overall implicit subsidy in any one year may be negative or positive depending on the distribution of Medicare and non-Medicare retirees in the plan.

## Implicit Subsidy (continued)

GASB defines the employer provided OPEB benefit as the difference between the underlying claims costs and the premium contributions made by retirees. As a result, the employer's portion of the blended health care premium is not what GASB considers the employer benefit. In order to account for the employer provided OPEB benefit, as it's defined by GASB, the explicit premium subsidies need to be adjusted to reflect the implicit subsidy (the difference between the estimated retiree claims and the overall premiums).

For plans that use a blended premium structure, Illustrations B1-1 and B1-2 of Implementation Guide No. 2017-3 describe how a portion of the payments made on behalf of the active employees should be reclassified as benefit payments for retiree health care to reflect the retirees' underlying claims costs. Adjusting the explicit health care costs for active employees and retirees by the implicit subsidy estimates provided in this report is equivalent to the reclassification described in the Implementation Guide. **It's important to note that the implicit subsidy is considered an employer contribution and any employer contributions related to OPEB need to include the implicit subsidy.** This report provides the estimated implicit subsidy for the measurement period and a factor that can be used to determine the implicit subsidy for the purpose of the deferred outflow of resources related to benefit payments made after the measurement date.

To summarize, because the health plan utilizes blended premiums, the benefit payments for GASB Statement No. 75 purposes need to include an adjustment for the implicit subsidy. This adjustment reflects the underlying cost of the benefits provided to retirees, which is how GASB defines the employer's OPEB benefit/liability. This adjustment is needed for the benefits during the measurement period and also for the purpose of the deferred outflow related to the benefits paid after the measurement date.

## Timing and Frequency of the Actuarial Valuation

An actuarial valuation to determine the total OPEB liability is required to be performed at least every two years. For the employer's financial reporting purposes, the total OPEB liability and OPEB expense should be measured as of the employer's "measurement date" which may not be earlier than the employer's prior fiscal year end-date. If the actuarial valuation used to determine the total OPEB liability is not calculated as of the measurement date, the total OPEB liability is required to be rolled forward from the actuarial valuation date to the measurement date.

The total OPEB liability shown in this report is based on an actuarial valuation performed as of December 31, 2017 and a measurement date of December 31, 2017.

## Discount Rate

For plans that do not have a formal trust that meets GASB's requirements, the discount rate should equal the tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date. For the purpose of this valuation, the municipal bond rate is 3.31% (based on the daily rate closest to but not later than the measurement date of the Fidelity "20-Year Municipal GO AA Index").

## Notes to Financial Statements

Paragraphs 162 – 171 of GASB Statement No. 75 discuss the note disclosures and required supplementary information (RSI) for plans that do not have formal assets. We recommend employers review these paragraphs as well as Illustration 4 in Appendix C of GASB Statement No. 75, which provides sample note disclosures and RSI for a single-employer plan that is not administered through a formal trust. GASB Statement No. 75 requires the notes of the employer's financial statements to disclose the total OPEB expense, the OPEB plan's liabilities and assets (if any), deferred outflows of resources and inflows of resources related to OPEB, and descriptive information about the plan. The requirements listed below apply to OPEB plans that do not have formal assets that meet the criteria in paragraph 4 of GASB Statement No. 75.

- **Plan Description:**
  - The name of the OPEB plan, the administrator of the OPEB plan; and the identification of the OPEB plan as a single-employer or multiple-employer OPEB plan.
  - A brief description of the types of benefits provided by the plan, automatic or ad hoc postemployment benefit changes including COLAs, and terms or policies regarding the sharing of benefit-related costs with inactive plan members.
  - The authority under which benefit terms are established or may be changed.
  - The number of plan members by category and if the plan is closed.
  - A brief description of member and employer contribution requirements.
  - The fact that there are no assets accumulated in a trust.
- **The total OPEB liability**
- **Significant assumptions and other inputs used to measure the total OPEB liability**
  - Significant assumptions include: Inflation, healthcare cost trend rates, salary changes, ad hoc postemployment benefit changes, and the sharing of benefit-related costs with inactive plan members.
  - If applicable, the patterns of practice relied upon for projecting the sharing of benefit-related costs with inactive plan members.
  - Source of the assumptions for mortality and dates of experience studies.
- **Measure of the total OPEB liability using +/- 1% on the health care trend rate.**
- **On the discount rate:**
  - The discount rate used and the change in the discount rate since the prior fiscal year-end.
  - The municipal bond rate used and the source of that rate.
  - Measure of the net OPEB liability using +/- 1% on the discount rate.
- **The measurement date, the date of the actuarial valuation, and if applicable the fact that update procedures were used to roll forward the total OPEB liability.**
- **A brief description of changes in benefit terms or assumptions that affected the measurement of the total OPEB liability since the prior measurement date.**
- **A brief description of changes made between the measurement date and reporting date.**
- **The employer's contributions (including benefit payments that are not paid/reimbursed by a formal trust) made subsequent to the measurement date.**

## Required Supplementary Information for Plans that Do Not Have Formal Assets

GASB Statement No. 75 requires a 10-year fiscal history of:

- Sources of changes in the total OPEB liability
- Information about the total OPEB liability and related ratios, including the total OPEB liability as a percent of covered-employee payroll

## Actuarial Assumptions

The actuarial assumptions used to value the liabilities are outlined in detail in Section F. The assumptions include details on the health care trend assumption, the aging factors as well as the cost method used to develop the OPEB expense. The demographic assumptions are based on the assumptions that were developed for the defined benefit plan in which the County participates (TCDRS).

## Future Uncertainty or Risk

Future results may differ from those anticipated in this valuation. Reasons include, but are not limited to:

- Actual medical trend differing from expected;
- Changes in the healthcare plan designs offered to active and retired members;
- Participant behavior or experience differing from expected;
  - Elections at retirement;
  - One-person versus two-person coverage elections;
  - Time of retirement or termination;
  - Catastrophic claims.

## Benefits Valued

The benefit provisions that were valued are in Section C. The valuation is required to be performed on the current benefit terms and existing legal agreements. Consideration is to be given to the written plan document as well as other communications between the employer and plan members and an established pattern of practice for cost sharing. The summary of major plan provisions is designed to outline principal plan benefits. If the plan summary is not in accordance with the actual provisions, please alert the actuaries IMMEDIATELY so they can both be sure the proper provisions are valued.

## Effective Date and Transition

GASB Statement No. 75 is effective for an employer's fiscal years beginning after June 15, 2017.

## Prior-Period Adjustment

Question 4.498 of Implementation Guide No. 2017-3 (shown below) provides guidance regarding the components of the prior-period adjustment. Because the measurement period in the transition year is the year starting January 1, 2017 and ending December 31, 2017, the deferred outflows of resources component of the prior-period adjustment (part c of the answer to question 4.498) coincides with the period starting January 1, 2017 and ending September 30, 2017. Using the same methodology to determine the contribution/benefit payments made during the measurement period as shown on page B-1, this deferred outflow component of the prior-period adjustment is equal to \$169,442, which equals \$171,154 of explicit premium payments plus -\$1,712 of implicit subsidy payments.

To our knowledge, there are no other deferred inflows or outflows related to part d of the answer to question 4.498.

For reference Question 4.498 from Implementation Guide No. 2017-3 is provided below:

**Q**—What are the components of the prior-period adjustment to beginning net position when Statement 75, as amended, is first implemented?

**A**—The prior-period adjustment should (a) remove the net OPEB obligation (asset) balance determined in accordance with Statement No. 45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions, as amended, if any, and any payables to the OPEB plan associated with formal commitments; (b) add the balance of the net OPEB liability or total OPEB liability (or proportionate share of the collective net OPEB liability or collective total OPEB liability), if any, as of the beginning of the initial period of implementation (determined as of the measurement date that would have been applied in the prior fiscal year if Statement 75, as amended, had been in effect—see Question 4.497); (c) add a deferred outflows of resources balance for the government’s contributions to the OPEB plan or amounts paid by the government for OPEB as the benefits come due between the measurement date of the beginning net OPEB liability or total OPEB liability (or proportionate share of the collective net OPEB liability or collective total OPEB liability) and the beginning of the government’s fiscal year, if any; and (d) add balances associated with all other deferred outflows of resources and deferred inflows of resources, if applicable (see Questions 4.500 and 4.501), determined as of the same date as the beginning net OPEB liability or total OPEB liability (or proportionate share of the collective net OPEB liability or collective total OPEB liability), as applicable. If there are payables to the OPEB plan that are not associated with formal commitments as of the beginning of the initial period of implementation, those balances should remain because Statement 75 continues the measurement and recognition requirements of Statement 45 for those transactions.

## **SECTION B**

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### **FINANCIAL SCHEDULES**

## Schedule of Changes in Total OPEB Liability and Related Ratios

### Fiscal Year Ending September 30, 2018

<b>Total OPEB liability</b>	
Service cost	\$ 1,133,590
Interest on the total OPEB liability	626,779
Changes of benefit terms	0
Difference between expected and actual experience of the total OPEB liability	0
Changes of assumptions	1,549,252
Benefit payments	<u>(232,379)</u>
<b>Net change in total OPEB liability</b>	<b>3,077,242</b>
<b>Total OPEB liability – beginning</b>	<b><u>16,000,287</u></b>
<b>Total OPEB liability – ending</b>	<b><u>19,077,529</u></b>
<b>Covered-employee payroll</b>	<b>\$ 21,472,469</b>
<b>Total OPEB liability as a percentage of covered-employee payroll</b>	<b>88.85%</b>

The table above contains information for the RSI section of the financials. The ending Total OPEB Liability is as of December 31, 2017.

Changes of assumptions reflect a change in the discount rate from 3.81% as of December 31, 2016 to 3.31% as of December 31, 2017.

The benefit payments during the measurement period were determined as follows:

a. Explicit benefit payments	\$ 234,726 (provided by the County)
b. Implicit benefit payments	<u>(2,347) (explicit benefit payments * -0.010)</u>
c. Total benefit payments	\$ 232,379

The -0.010 factor equals the ratio of the expected implicit subsidy to the expected explicit costs.

## Recognition of Deferred Outflows and Deferred Inflows of Resources

Differences between expected and actual experience and changes in assumptions are recognized in OPEB expense using a systematic and rational method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with OPEB through the OPEB plan (active employees and inactive employees) determined as of the beginning of the measurement period.

At the beginning of the current measurement period, the expected remaining service lives of all active employees in the plan was approximately 4,388 years. Additionally, the total plan membership (active employees and inactive employees) was 510. As a result, the average of the expected remaining service lives for purposes of recognizing the applicable deferred outflows and inflows of resources established in the current measurement period is 8.6042 years.

## Statement of Outflows and Inflows Arising from Current Reporting Period

	Recognition Period (or amortization years)	Total (Inflow) or Outflow	2018 Recognized in current OPEB expense	Deferred (Inflow) or Outflow in future expense
<b>Due to Liabilities:</b>				
Differences in expected and actual experience	8.6042	\$ 0	\$ 0	\$ 0
Assumption changes	8.6042	\$ 1,549,252	\$ 180,058	\$ 1,369,194
<b>Total</b>		<b>\$ 1,549,252</b>	<b>\$ 180,058</b>	<b>\$ 1,369,194</b>

This table is provided to document sources of the new deferred inflows and outflows resulting from the current reporting year. The table is not a required disclosure. The required disclosures regarding deferred inflows and outflows of resources related to OPEB are shown on the following page.

## Statement of OPEB Expense under GASB Statement No. 75 Fiscal Year Ending September 30, 2018

Service Cost	\$ 1,133,590
Interest on the Total OPEB Liability	626,779
Current-Period Benefit Changes	0
OPEB Plan Administrative Expense	0
Recognition of Current Year Outflow/(Inflow) due to Liabilities	180,058
Amortization of Prior Year Outflow/(Inflow) due to Liabilities	0
<b>Total OPEB Expense</b>	<b>\$ 1,940,427</b>

## Deferred Outflows and Deferred Inflows Related to OPEB

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 0	\$ 0
Changes in assumptions	1,369,194	0
Contributions subsequent to the measurement date	200,541	
<b>Total</b>	<u>\$ 1,569,735</u>	<u>\$ 0</u>

Employer contributions (benefit payments for unfunded plans) made subsequent to the measurement date of the total OPEB liability (December 31, 2017) and prior to the end of the employer's reporting period (September 30, 2018) should be reported by the employer as a deferred outflow related to OPEB. See paragraph 159 of GASB Statement No. 75 for plans that do not have formal assets.

The benefit payments of \$200,541 (\$202,567 of explicit premium payments plus -\$2,026 of implicit subsidy payments) made subsequent to the measurement date were determined using the same methodology used to determine the benefit payments made during the measurement period (see page B-1).

## Deferred Outflows and Deferred Inflows to be Recognized in Future OPEB Expense

<u>Year Ending September 30</u>	<u>Net Deferred Outflows/(Inflows)</u>
2019	\$ 180,058
2020	180,058
2021	180,058
2022	180,058
2023	180,058
Thereafter	468,904
<b>Total</b>	<u>\$ 1,369,194</u>

## Deferred Outflows and Inflows – Amortization Schedule

	Remaining Recognition Period (or amortization years)	Total remaining Outflow or (Inflow) at Beginning of Measurement Period	Measurement Year					Thereafter	Total remaining Outflow or (Inflow) at end of Measurement Period
			2018	2019	2020	2021	2022		
<b>Differences in Experience</b>									
2018	8,6042	0	0	0	0	0	0	0	0
Total									
<b>Assumption Changes</b>									
2018	8,6042	1,549,252	180,058	180,058	180,058	180,058	180,058	180,058	1,369,194
Total			\$ 180,058	\$ 180,058	\$ 180,058	\$ 180,058	\$ 180,058	\$ 180,058	\$ 468,904
<b>Total Recognized in Future Expense</b>			\$ 180,058	\$ 180,058	\$ 180,058	\$ 180,058	\$ 180,058	\$ 180,058	\$ 1,369,194

This table is provided to document sources of the outstanding deferred inflows and outflows from year to year. The table is not a required disclosure. The required disclosures regarding deferred inflows and outflows of resources related to OPEB are shown on the previous page.

# Actuarial Assumptions and Methods

**Valuation Date:** December 31, 2017

## Methods and Assumptions:

Actuarial Cost Method	Individual Entry-Age
Discount Rate	3.31% as of December 31, 2017
Inflation	2.50%
Salary Increases	0.50% to 5.00%, not including wage inflation of 3.25%
Demographic Assumptions	Based on the experience study covering the four-year period ending December 31, 2016 as conducted for the Texas County and District Retirement System (TCDRS)
Mortality	For healthy retirees, the gender-distinct RP-2014 Healthy Annuitant Mortality Tables are used with male rates multiplied by 130% and female rates multiplied by 110%. Those rates are projected on a fully generational basis based on 110% of the ultimate rates of Scale MP-2014.
Health Care Trend Rates	Initial rate of 7.50% declining to an ultimate rate of 5.25% after 11 years; Ultimate trend rate includes a 1.00% adjustment for the excise tax
Participation Rates	50% for employees who retire prior to the attainment of age of 65; 30% for employee who are at least 65 years old at retirement; 40% of pre-65 retirees with health coverage are assumed to discontinue their coverage at age 65

## Other Information:

**Notes** The discount rate changed from 3.81% as of December 31, 2016 to 3.31% as of December 31, 2017.

## Discount Rate

For plans that do not have formal assets, the discount rate should equal the tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date. For the purpose of this valuation, the municipal bond rate is 3.31% (based on the daily rate closest to but not later than the measurement date of the Fidelity "20-Year Municipal GO AA Index"). The discount rate was 3.81% as of the prior measurement date.

## Plan Assets

There are no plan assets accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

## Summary of Membership Information

The following table provides a summary of the number of participants in the plan as of December 31, 2017:

Inactive Plan Members or Beneficiaries Currently Receiving Benefits	43
Inactive Plan Members Entitled to But Not Yet Receiving Benefits	0
Active Plan Members	<u>467</u>
Total Plan Members	510

## Sample Disclosures and Required Supplementary Information (RSI)

Illustration 4 in Appendix C of GASB Statement No. 75 provides sample note disclosures and required supplementary information for a single-employer plan that is not administered through a formal trust.

### Sensitivity of Total OPEB Liability to the Discount Rate Assumption

Regarding the sensitivity of the total OPEB liability to changes in the discount rate, the following presents the plan's total OPEB liability, calculated using a discount rate of 3.31%, as well as what the plan's total OPEB liability would be if it were calculated using a discount rate that is one percent lower or one percent higher:

<b>1% Decrease</b>	<b>Current Discount Rate Assumption</b>	<b>1% Increase</b>
<b>2.31%</b>	<b>3.31%</b>	<b>4.31%</b>
<b>\$ 22,797,942</b>	<b>\$ 19,077,529</b>	<b>\$ 16,148,615</b>

### Sensitivity of Total OPEB Liability to the Healthcare Cost Trend Rate Assumption

Regarding the sensitivity of the total OPEB liability to changes in the healthcare cost trend rates, the following presents the plan's total OPEB liability, calculated using the assumed trend rates as well as what the plan's total OPEB liability would be if it were calculated using a trend rate that is one percent lower or one percent higher:

<b>1% Decrease</b>	<b>Current Healthcare Cost Trend Rate Assumption</b>	<b>1% Increase</b>
<b>\$ 15,496,948</b>	<b>\$ 19,077,529</b>	<b>\$ 23,849,102</b>

# Ellis County

## Retiree Health Care Plan

GASB Statement No. 75, Accounting and Financial Reporting  
for Postemployment Benefits Other Than Pensions

Fiscal Year Ending September 30, 2018

November 2, 2018

Ms. Miykael Reeve, CGFO  
County Auditor  
Ellis County  
101 West Main Street  
Waxahachie, TX 75165

Dear Ms. Reeve:

This report provides information on behalf of the Ellis County Retiree Health Care Plan in connection with the Governmental Accounting Standards Board (GASB) Statement No. 75 "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions." GASB Statement No. 75 establishes accounting and financial reporting requirements for state and local government employers that provide their employees with postemployment benefits other than pensions.

The calculation of the liability associated with the benefits described in this report was performed for the purpose of satisfying the requirements of GASB Statement No. 75. The calculation of the plan's liability for this report is not applicable for funding purposes of the plan. A calculation of the plan's liability for purposes other than satisfying the requirements of GASB Statement No. 75 may produce significantly different results. This report may be provided to parties other than Ellis County only in its entirety and only with the permission of the County. GRS is not responsible for unauthorized use of this report.

This report is based upon information, furnished to us by the County, concerning other postemployment benefits (OPEB), active members, deferred vested members, retirees and beneficiaries, and financial data. This information was checked for internal consistency, but it was not audited.

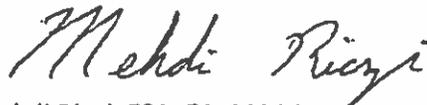
Based on the available data, the information contained in this report is accurate and fairly represents the actuarial position of the Ellis County Retiree Health Care Plan as of the reporting date. All calculations have been made in conformity with generally accepted actuarial principles and practices as well as the Actuarial Standards of Practice. If you have reason to believe that the information provided in this report is inaccurate, or is in any way incomplete, or if you need further information in order to make an informed decision on the subject matter of this report, please contact the author of the report prior to making such decision.

Future actuarial measurements may differ significantly from the current measurements presented in this report due to such factors as the following: plan experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions; increases or decreases expected as part of the natural operation of the methodology used for these measurements; and changes in plan provisions or applicable law.

The signing individuals are independent of the plan sponsor.

Mehdi Riazi and Daniel Siblik are members of the American Academy of Actuaries (MAAA) and meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinions contained herein.

Respectfully submitted,



Mehdi Riazi, FSA, EA, MAAA



Daniel J. Siblik, ASA, EA, MAAA

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