

345 Tequesta Drive
Tequesta, FL 33469



561-768-0700
www.tequesta.org

-MEMO-

To: Michael R. Couzzo, Village Manager

From: Christopher Quirk, Finance Director

Date: 06/21/18

Re: GASB 75 OPEB

I respectfully present the following memorandum to the Village Manager.

I submit an agreement to retain GRS Actuaries for OPEB study and actuarial valuation. This is a requirement for all municipalities under GASB 75 with other post-employment benefits.

Vice-Mayor Vince Arena
Council Member Steve Okun

Mayor Abby Brennan
Village Manager Michael Couzzo

Council Member Tom Paterno
Council Member Frank D'Ambra



May 16, 2018

Mr. Christopher Quirk
Finance Director
Village of Tequesta
345 Tequesta Dr.
Tequesta, FL 33469-0273

Re: Village of Tequesta GASB 75 OPEB Engagement Letter

Dear Mr. Quirk:

We are writing to provide an engagement letter for actuarial services relating to GASB 75 Other Post-Employment Benefits (OPEB). By signing and dating this engagement letter, Gabriel, Roeder, Smith & Company (GRS) and the Village of Tequesta (the "Village") agree to the scope, work product and terms described herein. This engagement letter is fashioned after those for auditing services, for consistency with other professionals.

We will perform the "Alternative Measurement Method" calculations necessary for the Village to comply with GASB Statement No. 75 for the fiscal year ending September 30, 2018. As such, the calculations will be performed as of October 1, 2017. We will provide actuarial advice concerning assumptions and a final Report reviewed and signed by an actuary. This service includes full telephone access to our actuaries and analysts during and after the process. It should be understood that this is not an actuarial valuation because the calculations will fail various actuarial standards of practice on account of following the GASB's Alternative Measurement Method.

We will then perform the "Alternative Measurement Method" calculations necessary for the Village to comply with GASB Statement No. 75 for the fiscal year ending September 30, 2019 using a roll-forward method permitted under GASB rules based on calculations performed as of October 1, 2017. The results will be presented in a letter report.

The Reports will provide figures necessary for compliance with GASB Statement No. 75 for all OPEBs, presented in total, without any breakouts by union or employee groupings and no breakouts by enterprise fund or function. The Village will be responsible for determining any such breakouts and for the narrative material required for the Notes.

The work papers for this engagement are the property of Gabriel, Roeder, Smith & Company (GRS). While we may be requested to make certain work papers available to auditors or to regulators pursuant to authority given by law or regulation, access to the requested work papers will be provided under supervision of GRS personnel. Furthermore, upon request, we may provide photocopies of selected work papers to regulatory agencies. These regulatory agencies may intend or decide to distribute the photocopies or information contained therein to others, including other governmental agencies.

The Village management has responsibility for the financial statements and all representations contained therein. Management also has responsibility for preventing and detecting fraud, for adopting sound accounting policies and establishing and maintaining effective internal control to maintain the reliability of the financial statements and to provide reasonable assurances against the possibility of misstatements that are material to the financial statements. This responsibility extends to the use or misuse of the results of our OPEB Report, presentations at on-site meetings and during telephone conferences. The Report and presentation materials may be provided to parties other than the Village only in their entirety and only with the permission of the Village.

Upon execution of this letter of engagement, we will prepare a data request letter. The Village will compile and transmit all employee and retiree census data as requested in electronic form and in the format requested. The Village will collect and transmit all documentation and other information requested regarding the other post-employment benefits provided.

The Village agrees that all information, documents and data we request in connection with our Report will be made available to us, that all such information, documents and data provided to us will be complete and accurate, that we will have the full cooperation of the Village's personnel and vendors, that the Village will issue a representation letter from management concerning these matters, and that GRS may rely upon such information, documents and data with no duty to inquire or audit such.

Because of the importance of management's representations as to the completeness and accuracy of the information, documents and data which it provides to GRS, the Village agrees to release GRS and its personnel from any claims, liabilities, costs and expenses relating to our services under this letter attributable to any misrepresentations in the representation letter referenced above. Furthermore, GRS agrees to maintain the employee data secure and confidential. Any dispute concerning this engagement will be resolved internally and, if not, with waiver of any jury trial and with venue at the place where the services are rendered. Except for gross negligence or willful misconduct, GRS liability hereunder will be limited to our fees.

The Village is a public agency subject to Chapter 119, Florida Statutes. As required by law, and only to the extent required by law, GRS shall comply with Florida's Public Records Law. GRS is not acting on behalf of the Village in providing actuarial and consulting services, as defined by statutes and interpreted by the Florida Attorney General Advisory Legal Opinions. GRS shall allow public access to all documents, papers, letters, or other material subject to the provisions of Chapter 119, Florida Statutes, and made or received by GRS in conjunction with this Agreement. Specifically, as required by law, and only to the extent required by law, GRS shall:

- (a) Keep and maintain public records that ordinarily and necessarily would be required by the Village in order to perform the service.
- (b) Upon request of the Village's custodian of public records, provide the Village with a copy of the requested records or allow the records to be inspected or copied within a reasonable time at a cost that does not exceed the cost provided in state law or as otherwise provided by law.



(c) Ensure that public records that are exempt or confidential and exempt from public records disclosure requirements are not disclosed except as authorized by law for the duration of the contract term and following completion of the contract if GRS does not transfer the records to the Village.

(d) Meet all requirements for retaining public records and transfer, at no cost, to the Village all public records in possession of the GRS upon termination of the Agreement and destroy and duplicate public records that are exempt or confidential and exempt from the public records disclosure requirements. All records stored electronically must be provided to the Village in a format that is compatible with the information technology system of the Village.

IF THE CONTRACTOR HAS QUESTIONS REGARDING THE APPLICATION OF CHAPTER 119, FLORIDA STATUTES, TO THE CONTRACTOR'S DUTY TO PROVIDE PUBLIC RECORDS RELATING TO THIS CONTRACT, CONTACT THE CUSTODIAN OF PUBLIC RECORDS AT (561) 768-0444, lmwilliams@tequesta.org, 345 TEQUESTA DRIVE, TEQUESTA, FL 33469.

The base fees for the services are described in the following chart:

FY Applicable	Calculation Date	Fee
September 30, 2018	October 1, 2017	\$3,500
September 30, 2019*	October 1, 2017	\$750

** The off-year of this engagement presumes a "roll-forward", whereby the previous year's calculations would be adjusted so as to apply to the projected year. GASB Statement No. 75 permits calculations every other year unless significant changes occur, in which case new calculations must be performed. If calculations were required or requested by the Village in the intermediate year(s), the cost would be developed by adjusting the initial report fee for inflation.*

Payment is due upon completion of the Report. There is no separate fee for telephone conferences or other expenses. No other surveys, impact studies or other projects are contemplated in the scope of this engagement. Additional studies, comparisons with other villages, or other services will be performed upon request with, whenever possible, fixed fee quotes provided in advance.

We stand behind these results and are available to assist management in other strategic areas for controlling the OPEB liabilities.

Please return this signed agreement and retain a copy for your records. We thank you and other Village officials for your confidence in our firm and look forward to working with you in the years ahead. Should you have any questions regarding these matters, please do not hesitate to contact us.



Mr. Christopher Quirk
May 16, 2018
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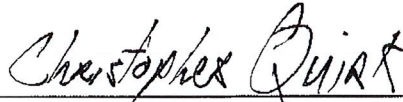
Sincerely,



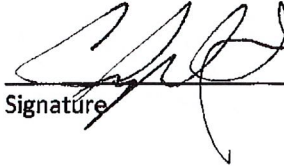
James J. Rizzo, ASA, MAAA
Senior Consultant and Actuary
Gabriel, Roeder, Smith & Company

JJR/nl

For the Village of Tequesta, Florida



Print Name (Authorized Party)



Signature

PUBLIC RECORDS. In accordance with Sec. 119.0701, *Florida Statutes*, CONTRACTOR must keep and maintain this Agreement and any other records associated therewith and that are associated with the performance of the work described in the Proposal or Bid. Upon request from the Village's custodian of public records, CONTRACTOR must provide the Village with copies of requested records, or allow such records to be inspected or copied, within a reasonable time in accordance with access and cost requirements of Chapter 119, *Florida Statutes*. A CONTRACTOR who fails to provide the public records to the Village, or fails to make them available for inspection or copying, within a reasonable time may be subject to attorney's fees and costs pursuant to Sec. 119.0701, *Florida Statutes*, and other penalties under Sec. 119.10, *Florida Statutes*. Further, CONTRACTOR shall ensure that any exempt or confidential records associated with this Agreement or associated with the performance of the work described in the Proposal or Bid are not disclosed except as authorized by law for the duration of the Agreement term, and following completion of the Agreement if the CONTRACTOR does not transfer the records to the Village. Finally, upon completion of the Agreement, CONTRACTOR shall transfer, at no cost to the Village, all public records in possession of the CONTRACTOR, or keep and maintain public records required by the Village. If the CONTRACTOR transfers all public records to the Village upon completion of the Agreement, the CONTRACTOR shall destroy any duplicate public records that are exempt or confidential and exempt from public records disclosure requirements. If the CONTRACTOR keeps and maintains public records upon completion of the Agreement, the CONTRACTOR shall meet all applicable requirements for retaining public records. Records that are stored electronically must be provided to the VILLAGE, upon request from the Village's custodian of public records, in a format that is compatible with the Village's information technology systems.

IF CONTRACTOR HAS QUESTIONS REGARDING THE APPLICATION OF CHAPTER 119, FLORIDA STATUTES, TO CONTRACTOR'S DUTY TO PROVIDE PUBLIC RECORDS RELATING TO THIS AGREEMENT, PLEASE CONTACT THE VILLAGE CLERK, RECORDS CUSTODIAN FOR THE VILLAGE, AT (561) 768-0685, OR AT lmckilliams@tequesta.org, OR AT 345 TEQUESTA DRIVE, TEQUESTA, FLORIDA 33469.