

## CONTRACT, LEASE, AGREEMENT CONTROL FORM

Date: 07/20/2021

Contract/Lease Control #: C18-2714-RM

Procurement#: RFP RM 09-18

Contract/Lease Type: CONTRACT

Award To/Lessee: GABRIEL, ROEDER, SMITH AND COMPANY

Owner/Lessor: OKALOOSA COUNTY

Effective Date: 08/07/2018

Expiration Date: 08/06/2022 W/1 1 YR RENEWAL

Description of: ACTURIAL VALUATION SERVICES

Department: RM

Department Monitor: BIRD

Monitor's Telephone #: 850-689-5977

Monitor's FAX # or E-mail: KBIRD@MYOKALOOSA.COM

Closed:

Cc: BCC RECORDS



## CONTRACT/LEASE RENEWAL FORM

Date: 7/15/2021  
Gabriel, Roeder, Smith and Company  
Attn: Nicolas Lahaye  
One East Broward Blvd. Suite 505  
Fort Lauderdale, Florida 33301  
RE: Actuarial Valuation Services

CONTRACT#: C18-2714-RM  
GABRIEL, ROEDER, SMITH & COMPANY  
ACTUARIAL VALUATION SERVICES  
EXPIRES: 08/6/2022 W/1 1 YR RENEWAL

Dear Mr. Lahaye

The Okaloosa County Board of County Commissioners agrees to renew the subject contract/lease, # C18-2714-RM for an additional term. The contract renewal period will be 8-7-2021 to 8-7-2022. The annual budgeted amount for this contract is \$2,500.00. All other terms and conditions of the original agreement shall remain in full force and effect through the duration of this renewal.

**If you are in agreement, please sign below and return this form along with a current Certificate of Insurance listing Okaloosa County as co-insured (if applicable).**

COUNTY REPRESENTATIVES

Dept. Director  
Signature: Kelly Bird

Date: 7/19/2021

Approved By: Henry A. Hyde  
(as prescribed below on item 1)

Date: 07/19/2021

Approved By: \_\_\_\_\_  
(as prescribed below on item 1)

Date: \_\_\_\_\_

AUTHORIZED COMPANY REPRESENTATIVE

Contractor: Gabriel, Roeder, Smith & Company

Approved By: Theora Braswell-Argue

Title: Authorized Representative

Date: July 15, 2021

**County Department Instructions:**

- 1) Obtain signatures from Department Director, authorized Company Representative and then Purchasing Manager <\$25K and less, OMB Director \$25K to \$50K, County Administrator <\$100K and less or Board >\$100K, as necessary. If Board approval is required, the Chairman and County Administrator's signatures are required. Make sure the company provides a current Certificate of Insurance. (If applicable).
- 2) Keep a copy of this form for your records.
- 3) Send original to Contracts and Lease Coordinator at Purchasing Department.  
If you have any questions please contact the Purchasing Manager at 850-689-5960, Fax: 850-689-5970

## CONTRACT, LEASE, AGREEMENT CONTROL FORM

Date: 07/21/2020

Contract/Lease Control #: C18-2714-RM

Procurement#: RFP RM 09-18

Contract/Lease Type: CONTRACT

Award To/Lessee: GABRIEL, ROEDER, SMITH & COMPANY

Owner/Lessor: OKALOOSA COUNTY

Effective Date: 08/07/2019

Expiration Date: 08/06/2021 W/2 1 YR RENEWALS

Description of: ACTUARIAL VALUATION SERVICES

Department: RM

Department Monitor: BIRD

Monitor's Telephone #: 850-689-5977

Monitor's FAX # or E-mail: KBIRD@MYOKALOOSA.COM

Closed:

Cc: BCC RECORDS





**ADDITIONAL REMARKS SCHEDULE**

AGENCY <b>Assured Partners- Southfield, MI</b>		NAMED INSURED <b>Gabriel, Roeder, Smith &amp; Company Holdings, Inc.</b> One Towne Square, Suite 800 Southfield, MI 48076	
POLICY NUMBER <b>SEE PAGE 1</b>			
CARRIER <b>SEE PAGE 1</b>	NAIC CODE <b>SEE P 1</b>	EFFECTIVE DATE: <b>SEE PAGE 1</b>	

**ADDITIONAL REMARKS**

THIS ADDITIONAL REMARKS FORM IS A SCHEDULE TO ACORD FORM,  
 FORM NUMBER: ACORD 25 FORM TITLE: Certificate of Liability Insurance

**Description of Operations/Locations/Vehicles:**

**Re: Contract for RFP RM 09-18 Actuarial Valuation Services for Okaloosa County**

Okaloosa County is included as additional insured on the General Liability policy per form #CNA74745XX 01-15 (Additional Insured - Designated Person or Organization) with respects to liability arising out of the activities performed by, or on behalf of the contractor.

The General Liability policy and Workers' Compensation/Employer's Liability policies include a blanket Waiver of Subrogation when required by written contract or agreement.



C18-2714-RM

GABROE-01

ABRAY

# CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)  
7/1/2020

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

**IMPORTANT:** If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

<b>PRODUCER</b> Southfield / AssuredPartners NL 3000 Town Center, Suite 1850 Southfield, MI 48075	<b>CONTACT NAME:</b> Amy Bray <b>PHONE (A/C, No, Ext):</b> (248) 827-5600 <b>FAX (A/C, No):</b> (248) 827-3733 <b>E-MAIL ADDRESS:</b> amy.bray@assuredpartners.com	
	<b>INSURER A:</b> Continental Insurance Company <b>INSURER B:</b> National Fire Insurance Co of Hartford <b>INSURER C:</b> Travelers Indemnity Co of America <b>INSURER D:</b> Hudson Specialty Insurance Co <b>INSURER E:</b> <b>INSURER F:</b>	<b>AFFORDING COVERAGE</b> <b>NAIC #</b> 35289 20478 25666 37079

**COVERAGES**                      **CERTIFICATE NUMBER:**                      **REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR  GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PROJECT <input checked="" type="checkbox"/> LOC OTHER:	X	X	6017079918	6/30/2020	6/30/2021	EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 1,000,000 MED EXP (Any one person) \$ 15,000 PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 2,000,000 PRODUCTS - COMP/OP AGG \$ 2,000,000 EBL AGGREGATE \$ 1,000,000
B	<b>AUTOMOBILE LIABILITY</b> <input type="checkbox"/> ANY AUTO OWNED AUTOS ONLY <input checked="" type="checkbox"/> HIRED AUTOS ONLY <input type="checkbox"/> SCHEDULED AUTOS <input checked="" type="checkbox"/> NON-OWNED AUTOS ONLY			6017079904	6/30/2020	6/30/2021	COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ \$ \$
A	<input type="checkbox"/> UMBRELLA LIAB <input checked="" type="checkbox"/> OCCUR <input checked="" type="checkbox"/> EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE DED      RETENTION \$			6017079899	6/30/2020	6/30/2021	EACH OCCURRENCE \$ 5,000,000 AGGREGATE \$ Aggregate \$ 5,000,000
C	<b>WORKERS COMPENSATION AND EMPLOYERS' LIABILITY</b> ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) <input type="checkbox"/> Y/N If yes, describe under DESCRIPTION OF OPERATIONS below	N/A	X	UB-9H841052-20-42-E	6/30/2020	6/30/2021	<input checked="" type="checkbox"/> PER STATUTE <input type="checkbox"/> OTHER E.L. EACH ACCIDENT \$ 1,000,000 E.L. DISEASE - EA EMPLOYEE \$ 1,000,000 E.L. DISEASE - POLICY LIMIT \$ 1,000,000
D	<b>Professional Liability</b>			EMB 11989 9	6/30/2020	6/30/2021	Limit 2,000,000 Okaloosa County BOCC

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

**Additional Named Insured's:**  
 Gabriel, Roeder, Smith & Co.  
 Gabriel, Roeder, Smith & Company Health & Welfare Consulting, LLC  
 Kruse O'Connor & Ling, Inc.

A \$250,000 per claim retention applies on the Professional Liability.

SEE ATTACHED ACORD 101

**CONTRACT#: C18-2714-RM**  
**GABRIEL, ROEDER, SMITH & COMPANY**  
**ACTUARIAL VALUATION SERVICES**  
**EXPIRES: 08/06/2021**

<b>CERTIFICATE HOLDER</b>  Okaloosa County 5479A Old Bethel Road Crestview, FL 32536	SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.  AUTHORIZED REPRESENTATIVE
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## ADDITIONAL REMARKS SCHEDULE

AGENCY Southfield / AssuredPartners NL		NAMED INSURED Gabriel, Roeder, Smith & Company Holdings, Inc. One Towne Square, Suite 800 Southfield, MI 48076	
POLICY NUMBER SEE PAGE 1			
CARRIER SEE PAGE 1	NAIC CODE SEE P 1	EFFECTIVE DATE: SEE PAGE 1	

## ADDITIONAL REMARKS

THIS ADDITIONAL REMARKS FORM IS A SCHEDULE TO ACORD FORM,  
FORM NUMBER: ACORD 25 FORM TITLE: Certificate of Liability Insurance

## Description of Operations/Locations/Vehicles:

Re: Contract for RFP RM 09-18 Actuarial Valuation Services for Okaloosa County

Okaloosa County is included as additional insured on the General Liability policy per form #CNA74745XX 01-15 (Additional Insured - Designated Person or Organization) with respects to liability arising out of the activities performed by, or on behalf of the contractor.

The General Liability policy and Workers' Compensation/Employer's Liability policies include a blanket Waiver of Subrogation when required by written contract or agreement.

Okaloosa County BOCC

JUL 14 2020

Received by  
Risk Management



## CONTRACT/LEASE RENEWAL FORM

Date:

Gabriel, Roeder, Smith and Company

Attn: Nicolas Lahaye

One East Broward Blvd. Suite 505

Fort Lauderdale, Fl. 33301

RE: Actuarial Valuation Services

Dear Mr. Lahaye

The Okaloosa County Board of County Commissioners agrees to renew the subject contract/lease, # C18-2714-RM for an additional term. The contract renewal period will be 8-7-2020 to 8-6-2021. The annual budgeted amount for this contract is \$10,500.00. All other terms and conditions of the original agreement shall remain in full force and effect through the duration of this renewal.

**If you are in agreement, please sign below and return this form along with a current Certificate of Insurance listing Okaloosa County as co-insured (if applicable).**

COUNTY REPRESENTATIVES

Dept. Director  
Signature: Kelley Bird

Date: July 21, 2020

Approved By: Jeffrey A. Hyde  
(as prescribed below on item 1)

Date: 07/21/2020

Approved By: \_\_\_\_\_  
(as prescribed below on item 1)

Date: \_\_\_\_\_

AUTHORIZED COMPANY REPRESENTATIVE

Contractor: Gabriel, Roeder, Smith & Company

Approved By: Theora Braccialorghe

Title: Authorized Representative

Date: July 20, 2020

**County Department Instructions:**

- 1) Obtain signatures from Department Director, authorized Company Representative and then Purchasing Manager <\$25K and less, OMB Director \$25K to \$50K, County Administrator <\$100K and less or Board >\$100K, as necessary. If Board approval is required, the Chairman and County Administrator's signatures are required. Make sure the company provides a current Certificate of Insurance. (If applicable).
- 2) Keep a copy of this form for your records.
- 3) Send original to Contracts and Lease Coordinator at Purchasing Department.  
If you have any questions please contact the Purchasing Manager at 850-689-5960, Fax: 850-689-5970



7. A clear and concise presentation of the proposed fees for the required actuarial services. The fees must be all inclusive for each year. In addition, include the hourly rate for additional services that are available from the Respondent but not required by the scope of this RFP

Okaloosa County						
Proposed Fee Schedule For Actuarial Services - Gabriel Roeder Smith & Company						
Fiscal Year Ending	2018	2019	2020	2021	2022	Total
Biannual Full Actuarial Valuation for OPEB under GASB 75 reporting:	\$ 10,500	N/A	\$ 10,500	N/A	\$ 10,500	\$ 31,500
OPEB Roll-Forward (in intervening years) under GASB 75 reporting:	N/A	\$ 2,500	N/A	\$ 2,500	N/A	\$ 5,000
Meeting with the County to review the valuation results (no additional charges):	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Five-Year Experience Study* (to be performed in the first year):	\$ 7,000	\$ -	\$ -	\$ -	\$ -	\$ 7,000
<b>TOTAL FEES</b>	<b>\$ 17,500</b>	<b>\$ 2,500</b>	<b>\$ 10,500</b>	<b>\$ 2,500</b>	<b>\$ 10,500</b>	<b>\$ 43,500</b>

\*Fee for the experience study is based on the scope of work contained in the RFP as we understand it. The fee may be modified depending on the final scope of work after discussion with the County.

GRS bills clients in accordance with contract terms and by the fees and hourly rates indicated in our bids. For the full OPEB GASB 75 report, one-half of the fees for the work applicable are due and payable upon receipt of the data request with the remainder due upon completion of the report. For all of the other services mentioned above, GRS will submit an invoice upon final delivery of each report.

Additional fees may be necessary for optional consulting services, including special re-calculations due to "significant changes" as required by the GASB standards, open group forecasts of future ADCs, PE, NPL, etc., assistance with drafting or reviewing plan and trust documents (in conjunction with legal counsel), plan benefit changes, re-examination of return assumption or asset valuation methods as requested by the County, special meetings, presentations or any other requested services outside the scope of this RFP.

Such additional fees will be based upon the following hourly rates in effect during the contract period. If well-defined, GRS would be pleased to quote fixed fees for such optional consulting services in advance. There are no expenses outside of the hourly rates.

Title	Hourly Rate*
Senior Consultant	\$360 - \$480
Consultant	\$282 - \$356
Senior Actuarial Analyst	\$224 - \$276
Actuarial Analyst	\$176 - \$206
Administrative Assistant	\$128 - \$142

\* The hourly rates are applicable through June 2018. The rates are updated annually each July 1<sup>st</sup>, generally to reflect inflation.

## CONTRACT, LEASE, AGREEMENT CONTROL FORM

Date: 08-07-2018

Contract/Lease Control #: C18-2714-RM

Procurement#: RFP RM 09-18

Contract/Lease Type: CONTRACT

Award To/Lessee: GABRIEL, ROEDER, SMITH AND COMPANY

Owner/Lessor: OKALOOSA COUNTY

Effective Date: 08/07/2018

Expiration Date: 08/06/2019 W/4 1 YR RENEWALS

Description of Contract/Lease: ACTURIAL VALUATION SERVICES

Department: RM

Department Monitor: PORTER

Monitor's Telephone #: 850-689-5977

Monitor's FAX # or E-mail: LPORTER@MYOKALOOSA.COM

Closed:

Cc: Finance Department Contracts & Grants Office





## ADDITIONAL REMARKS SCHEDULE

AGENCY Southfield / AssuredPartners NL		NAMED INSURED Gabriel, Roeder, Smith & Company Holdings, Inc. One Towne Square, Suite 800 Southfield, MI 48076	
POLICY NUMBER SEE PAGE 1			
CARRIER SEE PAGE 1	NAIC CODE SEE P 1	EFFECTIVE DATE: SEE PAGE 1	

## ADDITIONAL REMARKS

THIS ADDITIONAL REMARKS FORM IS A SCHEDULE TO ACORD FORM,  
FORM NUMBER: ACORD 25 FORM TITLE: Certificate of Liability Insurance

## Description of Operations/Locations/Vehicles:

Re: Contract for RFP RM 09-18 Actuarial Valuation Services for Okaloosa County

Okaloosa County is included as additional insured on the General Liability policy per form #CNA74745XX 01-15 (Additional Insured - Designated Person or Organization) with respects to liability arising out of the activities performed by, or on behalf of the contractor.

The General Liability policy and Workers' Compensation/Employer's Liability policies include a blanket Waiver of Subrogation when required by written contract or agreement.

## CONTRACT, LEASE, AGREEMENT CONTROL FORM

Date: 03/11/2019

Contract/Lease Control #: C18-2714-RM

Procurement#: RFP RM 09-18

Contract/Lease Type: CONTRACT

Award To/Lessee: GABRIEL, ROEDER, SMITH AND COMPANY

Owner/Lessor: OKALOOSA COUNTY

Effective Date: 08/07/2019

Expiration Date: 08/06/2020 W/3 1 YR RENEWALS

Description of Contract/Lease: ACTUARIAL VALUATION SERVICES

Department: RM

Department Monitor: PORTER

Monitor's Telephone #: 850-689-5977

Monitor's FAX # or E-mail: EGIBSON@MYOKALOOSA.COM

Closed:

Cc: Finance Department Contracts & Grants Office



# CONTRACT/LEASE RENEWAL FORM

**CONTRACT#: C18-2714-RM**  
**GABRIEL, ROEDER, SMITH AND COMPANY**  
**ACTURIAL VALUATION SERVICES**  
**EXPIRES: 08/06/2020 W/3 1 YR RENEWALS**

Date: February 13, 2019  
Gabriel, Roeder, Smith and Company  
Attn: Nicolas Lahaye  
Address One East Broward Blvd Suite 505  
City, St, Zip Fort Lauderdale, FL 33301  
RE: Actuarial Valuation Services

Dear Mr. Lahaye:

The Okaloosa County Board of County Commissioners agrees to renew the subject contract/lease, # C18-2714-RM \_\_\_\_\_ for an additional term. The contract renewal period will be 08/07/2019 to 08/06/2020. The annual budgeted amount for this contract is \$2,500.00. All other terms and conditions of the original agreement shall remain in full force and effect through the duration of this renewal.

**If you are in agreement, please sign below and return this form along with a current Certificate of Insurance listing Okaloosa County as co-insured (if applicable).**

COUNTY REPRESENTATIVES

AUTHORIZED COMPANY REPRESENTATIVE

Dept. Director  
Signature: [Signature]

Contractor: Gabriel, Roeder, Smith and Company

Date: 2/21/19

Approved By: [Signature]  
(as prescribed below on item 1)

Approved By: Theora Braccialaigh

Date: 03/11/2019

Approved By: \_\_\_\_\_  
(as prescribed below on item 1)

Title: Authorized Representative

Date: \_\_\_\_\_

Date: 3/6/19

**County Department Instructions:**

- 1) Obtain signatures from Department Director, authorized Company Representative and then Purchasing Manager <\$25K and less, OMB Director \$25K to \$50K, County Administrator <\$100K and less or Board >\$100K, as necessary. If Board approval is required, the Chairman and County Administrator's signatures are required. Make sure the company provides a current Certificate of Insurance. (If applicable).
- 2) Keep a copy of this form for your records.
- 3) Send original to Purchasing Services Coordinator.  
If you have any questions please contact the Purchasing Manager at 850-689-5960, Fax: 850-689-5970



GABROE-01

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# CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)

08/08/2018

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

**IMPORTANT:** If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER Southfield / AssuredPartners NL 3000 Town Center, Suite 1850 Southfield, MI 48075	CONTACT NAME: <b>Malissa Herceg</b>	
	PHONE (A/C, No, Ext): <b>(248) 827-5600</b>	FAX (A/C, No): <b>(248) 827-3733</b>
E-MAIL ADDRESS:		
INSURER(S) AFFORDING COVERAGE		NAIC #
INSURER A: <b>Continental Insurance Company</b>		<b>35289</b>
INSURER B: <b>National Fire Insurance Co of Hartford</b>		<b>20478</b>
INSURER C: <b>Travelers Indemnity Co of America</b>		<b>25666</b>
INSURER D: <b>Hudson Specialty Insurance Co</b>		<b>37079</b>
INSURER E:		
INSURER F:		

INSURED  
**Gabriel, Roeder, Smith & Company Holdings, Inc.**  
One Towne Square, Suite 800  
Southfield, MI 48076

**COVERAGES CERTIFICATE NUMBER: REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
<b>A</b>	<input checked="" type="checkbox"/> <b>COMMERCIAL GENERAL LIABILITY</b> <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR  GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input checked="" type="checkbox"/> LOC OTHER:	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<b>6017079918</b>	<b>06/30/2018</b>	<b>06/30/2019</b>	EACH OCCURRENCE \$ <b>1,000,000</b> DAMAGE TO RENTED PREMISES (Ea occurrence) \$ <b>1,000,000</b> MED EXP (Any one person) \$ <b>15,000</b> PERSONAL & ADV INJURY \$ <b>1,000,000</b> GENERAL AGGREGATE \$ <b>2,000,000</b> PRODUCTS - COMP/OP AGG \$ <b>2,000,000</b> <b>EBL AGGREGATE</b> \$ <b>1,000,000</b>
<b>B</b>	<b>AUTOMOBILE LIABILITY</b> <input type="checkbox"/> ANY AUTO OWNED AUTOS ONLY <input type="checkbox"/> SCHEDULED AUTOS <input checked="" type="checkbox"/> HIRED AUTOS ONLY <input checked="" type="checkbox"/> NON-OWNED AUTOS ONLY			<b>6017079904</b>	<b>06/30/2018</b>	<b>06/30/2019</b>	COMBINED SINGLE LIMIT (Ea accident) \$ <b>1,000,000</b> BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$
<b>A</b>	<input checked="" type="checkbox"/> <b>UMBRELLA LIAB</b> <input checked="" type="checkbox"/> OCCUR <input checked="" type="checkbox"/> <b>EXCESS LIAB</b> <input type="checkbox"/> CLAIMS-MADE DED RETENTION \$			<b>6017079899</b>	<b>06/30/2018</b>	<b>06/30/2019</b>	EACH OCCURRENCE \$ <b>4,000,000</b> AGGREGATE \$ <b>4,000,000</b>
<b>C</b>	<b>WORKERS COMPENSATION AND EMPLOYERS' LIABILITY</b> ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NF) <input type="checkbox"/> Y/N If yes, describe under DESCRIPTION OF OPERATIONS below		<input checked="" type="checkbox"/>	<b>UB-9H841052-18-42-E</b>	<b>06/30/2018</b>	<b>06/30/2019</b>	PER STATUTE OTH-ER E.L. EACH ACCIDENT \$ <b>1,000,000</b> E.L. DISEASE - EA EMPLOYEE \$ <b>1,000,000</b> E.L. DISEASE - POLICY LIMIT \$ <b>1,000,000</b>
<b>D</b>	<b>Professional Liabll</b>			<b>EMB 11989 7</b>	<b>06/30/2018</b>	<b>06/30/2019</b>	Limit \$ <b>2,000,000</b>

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, m  
Additional Named Insured's:  
**Gabriel, Roeder, Smith & Co.**  
**Gabriel, Roeder, Smith & Company Health & Welfare Consulting, LLC**  
**Kruse O'Connor & Ling, Inc.**

**Contract # C18-2714-RM**  
**GABRIEL, ROEDER, SMITH & COMPANY**  
**ACTUARIAL VALUATION SERVICES**  
**EXPIRES: 08/06/2019 W/ 4 1 YR RENEWALS**

A \$250,000 per claim retention applies on the Professional Liability.  
SEE ATTACHED ACORD 101

<b>CERTIFICATE HOLDER</b>  Okaloosa County 5479A Old Bethel Road Crestview, FL 32536	<b>CANCELLATION</b>  SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.  AUTHORIZED REPRESENTATIVE <i>Manuella Hall</i>
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**ADDITIONAL REMARKS SCHEDULE**

AGENCY <b>Southfield / AssuredPartners NL</b>		NAMED INSURED <b>Gabriel, Roeder, Smith &amp; Company Holdings, Inc. One Towne Square, Suite 800 Southfield, MI 48076</b>	
POLICY NUMBER <b>SEE PAGE 1</b>			
CARRIER <b>SEE PAGE 1</b>	NAIC CODE <b>SEE P 1</b>	EFFECTIVE DATE: <b>SEE PAGE 1</b>	

**ADDITIONAL REMARKS**

THIS ADDITIONAL REMARKS FORM IS A SCHEDULE TO ACORD FORM,

FORM NUMBER: ACORD 25 FORM TITLE: Certificate of Liability Insurance**Description of Operations/Locations/Vehicles:****Crime Policy: 6/30/18-6/30/19****Carrier: National Union Fire****Policy #01-565-69-13****\$5,000,000 Employee Theft, \$25,000 Deductible****\$250,000 Forgery or alteration****\$225,000 Theft of Money & Securities Inside Premises****\$225,000 Outside Premises****\$500,000 Computer Fraud****\$500,000 Funds Transfer Fraud****\$1,000 Deductible****3rd Party Crime Coverage****\$500,000 limit of liability****\$5,000 deductible**

\*3rd Party Crime coverage included coverage for loss or damage to Money, Securities and Other Property sustained by the Insured's Client resulting directly from Theft committed by an identified employee, acting alone or in collusion with other persons.

**Cyber Liability Coverage:****Carrier: Travelers Casualty & Surety Company of America****Term: 6/30/18 - 6/30/19****Policy #106298251****Third Party Insuring Agreements:****Network and Information Security - \$5,000,000/each Claim - \$25,000 deductible****Communication and Media Liability - \$5,000,000/each Claim - \$25,000 deductible****Regulatory Defense Expenses - \$5,000,000/each claim - \$25,000 deductible****First Party Insuring Agreements:****Crisis Event Management Event Expenses - \$2,500,000/each single first party insured event - Deductible \$25,000****Security Breach Remediation and Notification Expenses - \$2,500,000/each single first party insured event - Deductible \$25,000****Computer Program and Electronic Data Restoration Expenses - \$2,500,000/each single first party insured event - Deductible \$25,000****Computer Fraud - \$2,500,000/each single first party insured event - Deductible \$25,000****Funds Transfer Fraud - \$2,500,000/each single first party insured event - Deductible \$25,000****E-Commerce Extortion - \$2,500,000/each single first party insured event - Deductible \$25,000****Business Interruption and Additional Expenses - \$2,500,000/each single first party insured event - Waiting period 12 hours****Re: Contract for RFP RM 09-18 Actuarial Valuation Services for Okaloosa County**

Okaloosa County is included as additional insured on the General Liability policy per form #CNA74745XX 01-15 (Additional Insured - Designated Person or Organization) with respects to liability arising out of the activities performed by, or on behalf of the contractor.

The General Liability policy and Workers' Compensation/Employer's Liability policies include a blanket Waiver of Subrogation when required by written contract or agreement.



**PROCUREMENT/CONTRACT/LEASE  
INTERNAL COORDINATION SHEET**

Procurement/Contract/Lease Number: TBD Tracking Number: 3038-18  
Procurement/Contractor/Lessee Name: GRS Grant Funded: YES \_\_\_ NO X  
Purpose: contract- actuarial services  
Date/Term: 1yr 1.  GREATER THAN \$100,000  
Amount: 43500 for 5 years 2.  GREATER THAN \$50,000  
Department: RM 3.  \$50,000 OR LESS  
Dept. Monitor Name: Porter

**Purchasing Review**

Procurement or Contract/Lease requirements are met:  
DeRita Mason Date: 6-14-18  
Purchasing Manager or designee Jeff Hyde, DeRita Mason

**2CFR Compliance Review (if required)**

Approved as written: NO grant funds  
\_\_\_\_\_  
Grants Coordinator Danielle Garcia Date: \_\_\_\_\_

**Risk Management Review**

Approved as written: Add Professional Liability Ins. Req.  
Laura Porter Date: 6/14/18  
Risk Manager or designee Laura Porter or Krystal King

**County Attorney Review**

Approved as written: see email attached  
\_\_\_\_\_  
County Attorney Gregory T. Stewart, Lynn Hoshihara, Kerry Parsons or Designee Date: 6-25-18

Following Okaloosa County approval:

**Clerk Finance**

Document has been received:  
\_\_\_\_\_  
Finance Manager or designee Date: \_\_\_\_\_

## DeRita Mason

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**From:** Laura Porter  
**Sent:** Thursday, August 02, 2018 9:47 AM  
**To:** DeRita Mason  
**Cc:** Parsons, Kerry; Lynn Hoshihara  
**Subject:** RE: GRS

Risk Management is agreeable with this version of the agreement.

*Laura J. Porter*

**Risk Manager**

**Okaloosa County BCC**

5479-B Old Bethel Road

Crestview, FL 32536

(850)689-5977

lporter@myokaloosa.com

**Please note: Due to Florida's very broad public records laws, most written communications to or from County employees regarding County business are public records, available to the public and media upon request. Therefore, this written e-mail communication, including your e-mail address, may be subject to public disclosure.**

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**From:** DeRita Mason  
**Sent:** Thursday, August 2, 2018 8:57 AM  
**To:** Laura Porter <lporter@myokaloosa.com>  
**Cc:** Parsons, Kerry <KParsons@ngn-tally.com>; Lynn Hoshihara <lhoshihara@myokaloosa.com>  
**Subject:** GRS

Look over this one and see if this is acceptable. I think they only had an issue with the Exhibit B.

## DeRita Mason

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**From:** Parsons, Kerry <KParsons@ngn-tally.com>  
**Sent:** Tuesday, July 17, 2018 3:41 PM  
**To:** DeRita Mason  
**Cc:** Laura Porter; Krystal King; Lynn Hoshihara  
**Subject:** RE: Final Contract

Make Exhibit B a different page. Otherwise, this is approved for legal purposes. Please wait on sending this out to the vendor until you have Risk's signoff.

---

**From:** DeRita Mason [mailto:dmason@myokaloosa.com]  
**Sent:** Tuesday, July 17, 2018 4:37 PM  
**To:** Parsons, Kerry  
**Cc:** Laura Porter; Krystal King; Lynn Hoshihara  
**Subject:** RE: Final Contract

Here you go.

---

**From:** Parsons, Kerry [mailto:KParsons@ngn-tally.com]  
**Sent:** Tuesday, July 17, 2018 3:32 PM  
**To:** DeRita Mason <dmason@myokaloosa.com>  
**Cc:** Laura Porter <lporter@myokaloosa.com>; Krystal King <kking@myokaloosa.com>; Lynn Hoshihara <lhoshihara@myokaloosa.com>  
**Subject:** RE: Final Contract

Exhibit B does not have a title and is on the same page and the signature page. Please revise to include its title and correct the formatting please.

---

**From:** DeRita Mason [mailto:dmason@myokaloosa.com]  
**Sent:** Tuesday, July 17, 2018 4:29 PM  
**To:** Parsons, Kerry  
**Cc:** Laura Porter; Krystal King; Lynn Hoshihara  
**Subject:** RE: Final Contract

Here you go.

---

**From:** Parsons, Kerry [mailto:KParsons@ngn-tally.com]  
**Sent:** Tuesday, July 17, 2018 3:20 PM  
**To:** DeRita Mason <dmason@myokaloosa.com>

## DeRita Mason

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**From:** Krystal King  
**Sent:** Wednesday, July 18, 2018 8:22 AM  
**To:** DeRita Mason  
**Cc:** Laura Porter  
**Subject:** RE: Final Contract

Since Kerry made the changes we will agree to them for this contract.

*Krystal King*  
Okaloosa County  
Risk Management  
(850)688-5977  
Fax (850)688-5973

Please note: Due to Florida's very broad public records laws, most written communications to or from County employees regarding County business are public records available to the public and media upon request. Therefore, this written email communication including your email address, may be subject to public disclosure.

---

**From:** DeRita Mason  
**Sent:** Wednesday, July 18, 2018 7:30 AM  
**To:** Krystal King <kking@myokaloosa.com>  
**Subject:** RE: Final Contract

Legal had agreed to the changes they made on that section. Does Risk not agree?

---

**From:** Krystal King  
**Sent:** Wednesday, July 18, 2018 6:52 AM  
**To:** DeRita Mason <dmason@myokaloosa.com>  
**Subject:** RE: Final Contract

This one has the wrong Indemnification & Hold Harmless Agreement in section XVIII

*Krystal King*  
Okaloosa County  
Risk Management  
(850)688-5977

**A NEW WAY TO SIGN IN** - If you already have a SAM account, use your **SAM email** for login.gov.

[Log In](#)  
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ALERT - June 11, 2018: Entities registering in SAM must submit a [notarized letter](#) appointing their authorized Entity Administrator. Read our [updated FAQs](#) to learn more about changes to the notarized letter review process and other system improvements.

# Search Results

**Current Search Terms: gabriel\* roeder\* smith\***

**Notice:** This printed document represents only the first page of your SAM search results. More results may be available. To print your complete search results, you can download the PDF and print it.

No records found for current search.



- Search Records
- Data Access
- Check Status
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- Help
- Disclaimers
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- Privacy Policy
- FAPIS.gov
- GSA.gov/IAE
- GSA.gov
- USA.gov

IBM v1.P.16.20180727-0955

WWW6

This is a U.S. General Services Administration Federal Government computer system that is "FOR OFFICIAL USE ONLY." This system is subject to monitoring. Individuals found performing unauthorized activities are subject to disciplinary action including criminal prosecution.



# Board of County Commissioners Purchasing Department

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State of Florida

Date: June 8, 2018

OKALOOSA COUNTY PURCHASING DEPARTMENT  
NOTICE OF INTENT TO AWARD  
RFP RM 09-18  
Actuarial Valuation Services

The Risk Management Department would like to thank all businesses which submitted responses to: Actuarial Services. (RFP RM 09-18)

After in-depth examination of all submittals in accordance with the County's Purchasing Manual, the County announces its intent to award the contract/purchase order to the following:

**Gabriel, Roeder, Smith & Company**  
**One East Broward Boulevard, Suite 505**  
**Fort Lauderdale, FL 33301**

This Notice of Intent does NOT constitute the formation of a contract/purchase order between Okaloosa County and the apparent successful bidder/respondent. The County reserves the right to enter into negotiations with the successful bidder/respondent in order to finalize contract terms and conditions. No agreement is entered into between the County and any parties until a contract is approved and fully executed.

Any person/entity desiring to file a procurement protest must meet all the standards and criteria in accordance with Section 30 of the Okaloosa County Purchasing Manual. Failure to file a protest within the time prescribed in Section 30.02 of the Okaloosa County Purchasing Manual, shall constitute a waiver of protest proceedings.

Sincerely,

A handwritten signature in blue ink that reads "Jeffrey Hyde".

Jeffrey Hyde  
Purchasing Manager

**CONTRACT**  
**For RFP RM 09-18**  
**ACTUARIAL VALUATION SERVICES**

This Contract executed and entered into this 7<sup>th</sup> day of August, 2018, between Okaloosa County, Florida, (hereinafter the "County"), whose principal address is 1250 N. Eglin Parkway, Shalimar, Florida 32579, and Gabriel, Roeder, Smith and Company, (hereinafter the "Contractor"), a foreign profit corporation certified to conduct business in the State of Florida, whose principal address is One Towne Square, Suite 800, Southfield, MI 48076, states as follows:

**WITNESSETH:**

**WHEREAS**, the County through a Request for Proposal and Respondents Acknowledgement solicited for Actuarial Valuation Services; and

**WHEREAS**, after due review of all responses, Gabriel, Roeder, Smith and Company has been selected as the Contractor for Actuarial Valuation Services for Risk Management; and

**WHEREAS**, the County, as a recipient of federal assistance, is required to incorporate specific provisions in all contracts, regardless of funding source, with additional provisions being required for federally funded projects. These provisions are being incorporated per this amendment as stated in Exhibit "B" attached hereto; and

**WHEREAS**, the County desires the services of the Contractor and the Contractor is willing and able to perform all services in accordance with this Contract.

**NOW, THEREFORE**, the parties hereto agree as follows:

**I. Incorporation of Documents**

The following document is incorporated herein by reference into this Contract and is attached as:

1. Exhibit "A", Request for Proposals & Respondent's Acknowledgment/Contractor's Submittal, **RFP RM 09-18, Actuarial Valuation Services**; date of opening May 7, 2018 and any addendums thereto. The total estimated five (5) year fee shall not exceed \$43,500.00, unless amended by a contract amendment.
2. Exhibit "B", Standard Additional Clauses, attached hereto and made a part of this contract. All terms within the above referenced documents are in full force and effect and shall be binding upon both parties.

**II. Scope of Work**

The Contractor will provide services as further outlined in the attached Exhibit "A". Any changes to this Contract shall be by a contract amendment, which must be agreed to in writing and fully executed by both parties.

### **III. Payment**

The Contractor will be paid for the services provided in accordance with the terms and conditions of this contract and attached Exhibit "A".

### **IV. Invoice Requirements**

The Contractor shall request payment through submission of a properly completed invoice. County shall make payments within thirty (30) days of receipt of invoice. Invoicing and monthly reporting shall be in sufficient detail for pre- and post-audit review to ensure the services were performed and that the correct amount has been invoiced.

In the event a portion of an invoice submitted to the County for payment to the Contractor, as specified above, is disputed, payment for the disputed amount may be withheld pending resolution of the dispute, and the remainder of the invoice will be processed for payment without regard to that portion which is in dispute.

### **V. Duration of Contract and Termination of the Contract**

This Contract will be effective upon signing of contract by both parties and will run for one (1) year with the option for four (4) one (1) year renewals upon written agreement by both parties.

The County may terminate this Contract with or without cause by providing thirty (30) days written notice to the Contractor. If terminated, Contractor shall be owed for services rendered and equipment provided up until the point of termination.

The County may terminate this Contract in whole or part for cause, if the County determines that the performance of the Contractor is not satisfactory. The County shall notify the Contractor of the deficiency in writing with a requirement that the deficiency be corrected within ten (10) days of such notice. Such notice shall provide reasonable specificity to the Contractor of the deficiency that requires correction. If the deficiency is not corrected within such time period, the County may procure the services of other sources, and hold the Contractor liable for any excess costs occasioned thereby, up to the amount paid under the contract for the most recently completed fiscal year. Excess costs for this purpose, do not include the costs of preparing and issuing an RFP.

If the County terminates the Contract, the County shall notify the Contractor of such termination in writing, with instruction to the effective date of termination or specify the stage of work at which the Agreement is to be terminated.

The County reserves the right to unilaterally cancel this Contract for refusal by the Contractor or any contractor, sub-contractor or materials vendor to allow public access to all documents, papers, letters or other material subject to the provisions of Chapter 119, Florida Statutes, and made or received in conjunction with this Contract unless the records are exempt.

Upon receipt of a final termination or suspension notice under this Article, the Contractor shall proceed promptly to carry out the actions required in such notice, which may include any or all of the following:

1. Necessary action to terminate or suspend, as the case may be, Project activities and contracts and such other action as may be required or desirable to keep to a minimum the costs upon the basis



of which the financing is to computed; and

2. Furnish a statement of the activities and other undertakings the cost of which are otherwise includable as costs under this Agreement. The termination or suspension shall be carried out in conformity with the latest schedule of costs as approved by the County. The closing out of federal financial participation in the services provided shall not constitute a waiver of any claim which the County may otherwise have arising out of this Agreement.

## **VI. Remedies**

This Contract shall be governed by the laws of the State of Florida. Any and all legal action necessary to enforce this Contract shall be held in Okaloosa County. No remedy herein conferred upon any party is intended to be exclusive of any other remedy, and each and every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or in equity or by statute or otherwise. No single or partial exercise by any party of any right, power, or remedy hereunder shall preclude any other or further exercise thereof.

## **VII. Intent of Contract Documents**

It is the intent of the Contract Documents to describe a functionally complete project to be performed in accordance with the Contract Documents. Any work, materials or equipment that may reasonably be inferred from the Contract Documents as being required to produce the intended result shall be supplied whether or not specifically called for. When words that have a well-known technical or trade meaning are used to describe work, materials or equipment, such words shall be interpreted in accordance with that meaning. Reference to standard specifications, manuals or codes of any technical society, organization or association or to the laws or regulations of any governmental authority having jurisdiction over the Project, whether such reference be specific or by implication, shall mean the latest standard specification, manual, code, law or regulation in effect at the time the Work is performed, except as may be otherwise specifically stated herein.

## **VIII. Investigation**

Contractor shall have the sole responsibility of satisfying itself concerning the nature and location of the Work and the general and local conditions, and particularly, but without limitation, with respect to the following: those affecting transportation, access, disposal, handling and storage of materials; availability and quality of labor; water and electric power; availability and condition of roads; work area; living facilities; climatic conditions and seasons; physical conditions at the work site and the project area as a whole; topography and ground surface conditions; nature and quantity of the surface materials to be encountered; subsurface conditions; equipment and facilities needed preliminary to and during performance of the Work; and all other costs associated with such performance. The failure of Contractor to acquaint itself with any applicable conditions shall not relieve Contractor from any of its responsibilities to perform under the Contract Documents, nor shall it be considered the basis for any claim for additional time or compensation.

## **IX. Notice**

All notices required by this Contract shall be in writing to the representatives listed below:

### **The authorized representatives of the County shall be:**

Laura Porter, Director  
5479B Old Bethel Rd.  
Crestview, FL 32536  
Phone: 850-689-5977  
Fax: 850-689-5973  
Email: [lporter@co.okaloosa.fl.us](mailto:lporter@co.okaloosa.fl.us)

### **The authorized representative for Gabriel, Roeder, Smith and Company shall be:**

Theora Braccialarghe  
1 East Broward Blvd, Suite 505  
Ft. Lauderdale, FL 33301  
Phone: 954-527-1616  
Fax: 954-525-0083  
Email: [theora.braccialarghe@grsconsulting.com](mailto:theora.braccialarghe@grsconsulting.com)

### **Courtesy copy to:**

Okaloosa County Purchasing Department  
5479A Old Bethel Road  
Crestview, FL 32536  
Phone: 850-689-5960  
Fax: 850-689-5998  
Email: [dmason@co.okaloosa.fl.us](mailto:dmason@co.okaloosa.fl.us)

## **X. Public Records**

Any record created by either party in accordance with this Contract shall be retained and maintained in accordance with the public records law, Florida Statutes, Chapter 119.

**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 OKALOOSA COUNTY RISK MANAGEMENT DEPARTMENT 5479 OLD BETHEL ROAD CRESTVIEW, FL 32536 PHONE: (850) 689-5977 [riskinfo@co.okaloosa.fl.us](mailto:riskinfo@co.okaloosa.fl.us).**

Contractor must comply with the public records laws, Florida Statute chapter 119, specifically Contractor must:

1. Keep and maintain public records required by the County to perform the service.
2. Upon request from the County's custodian of public records, provide the County 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 chapter 119 Florida Statutes or as otherwise provided by law.

3. 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 the contractor does not transfer the records to the County.
4. Upon completion of the contract, transfer, at no cost, to the County all public records in possession of the contractor or keep and maintain public records required by the County to perform the service. If the contractor transfers all public records to the public agency upon completion of the contract, 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 contract, the contractor shall meet all applicable requirements for retaining the public records. All records stored electronically must be provided to the public agency, upon the request from the public agency's custodian of public records, in a format that is compatible with the information technology systems of the public agency.

## **XII. Audit**

The County and/or its designee shall have the right from time to time at its sole expense to audit the compliance by the Contractor with the terms, conditions, obligations, limitations, restrictions, and requirements of this Contract and such right shall extend for a period of three (3) years after termination of this Contract.

## **XIII. Assignment**

Contractor shall not assign this Contract or any part thereof, without the prior consent in writing of the County. If Contractor does, with approval, assign this Contract or any part thereof, it shall require that its assignee be bound to it and to assume toward Contractor all of the obligations and responsibilities that Contractor has assumed toward the County.

## **XIV. Entire Contract & Waivers**

This Contract and all exhibits as incorporated herein, contain the entire contract between the parties and supersedes all prior oral or written contracts. Contractor acknowledges that it has not relied upon any statement, representation, prior or contemporaneous written or oral promises, agreements or warranties, except such as are expressed herein. The terms and conditions of this Contract can only be amended in writing upon mutual agreement of the parties and signed by both parties.

The waiver by a party of any breach or default in performance shall not be deemed to constitute a waiver of any other or succeeding breach or default. The failure of the County to enforce any of the provisions hereof shall not be construed to be a waiver of the right of the County thereafter to enforce such provisions.

## **XV. Severability**

If any term or condition of this Contract shall be deemed, by a court having appropriate jurisdiction, invalid or unenforceable, the remainder of the terms and conditions of this Contract shall remain in full force and effect. This Contract shall not be more strictly construed against either party hereto by reason of the fact that one party may have drafted or prepared any or all the terms and provisions hereof.

## **XVI. Independent Contractor**

Contractor enters into this Contract as, and shall continue to be, an independent contractor. All services shall be performed only by Contractor and Contractor's employees. Under no circumstances shall Contractor or any of Contractor's employees look to the County as his/her employer, or as partner, agent or principal. Neither Contractor, nor any of Contractor's employees, shall be entitled to any benefits accorded to the County's employees, including without limitation worker's compensation, disability insurance, vacation or sick pay. Contractor shall be responsible for providing, at Contractor's expense, and in Contractor's name, unemployment, disability, worker's compensation and other insurance as well as licenses and permits usual and necessary for conducting the services to be provided under this Contract.

## **XVII. Third Party Beneficiaries**

It is specifically agreed between the parties executing this Contract that it is not intended by any of the provisions of any part of the Contract to create in the public or any member thereof, a third party beneficiary under this Contract, or to authorize anyone not a party to this Contract to maintain a suit for personal injuries or property damage pursuant to the terms or provisions of this Contract.

## **XVIII. Indemnification and Hold Harmless**

Contractor agrees to indemnify Client for the actual amount of all direct losses the client suffers due to gross negligence, error, or willful misconduct on the part of Contractor in performing the services hereunder in an amount not to exceed that covered by Contractor's insurance. In the event of disputes, both parties to this contract agree to waive their right to a jury trial. Client must notify Contractor of any lawsuit, complaint, or other situation for which indemnification may be sought within six (6) months of the date Client is notified of the matter.

## **XIX. Representation of Authority to Contractor/Signatory**

The individual signing this Contract on behalf of Gabriel, Roeder, Smith and Company represents and warrants that he or she is duly authorized and has legal capacity to execute and deliver this Contract. The signatory represents and warrants to the County that the execution and delivery of this Contract and the performance of Gabriel Roeder, Smith and Company's obligations hereunder have been duly authorized and that the Contract is a valid and legal agreement binding on the Contractor and enforceable in accordance with its terms.

## **XX. Subcontracting**

Contractor shall not subcontract any services or work to be provided to County without the prior written approval of the County's Representative. The County reserves the right to accept the use of a subcontractor or to reject the selection of a particular subcontractor and to inspect all facilities of any subcontractors in order to make a determination as to the capability of the subcontractor to perform properly under this Contract. The County's acceptance of a subcontractor shall not be unreasonably withheld. The Contractor is encouraged to seek minority and women business enterprises for participation in subcontracting opportunities. Additionally, any subcontract entered into between the Contractor and subcontractor will need to be approved by the County prior to it being entered into, and said agreement shall incorporate in all required terms in accordance with local, state and Federal regulations.

## **XXI. Insurance**

### **CONTRACTORS INSURANCE**

1. The Contractor shall not commence any work in connection with this Agreement until he has obtained all required insurance and such insurance has been approved by the Okaloosa County Risk Manager or designee.
2. All insurance policies shall be with insurers authorized to do business in the State of Florida.
3. All insurance shall include the interest of all entities named and their respective officials, employees & volunteers of each and all other interests as may be reasonably required by Okaloosa County. The coverage afforded the Additional Insured under this policy shall be primary insurance. If the Additional Insured have other insurance that is applicable to the loss, such other insurance shall be on an excess or contingent basis. The amount of the company's liability under this policy shall not be reduced by the existence of such other insurance.
4. Where applicable, the County shall be shown as an Additional Insured with a Waiver of Subrogation on the Certificate of Insurance.
5. The County shall retain the right to reject all insurance policies that do not meet the requirement of this Agreement. Further, the County reserves the right to change these insurance requirements with 60-day notice to the Contractor.
6. The County reserves the right at any time to require the Contractor to provide copies of any insurance policies to document the insurance coverage specified in this Agreement.
7. The designation of Contractor shall include any associated or subsidiary company which is involved and is a part of the contract and such, if any associated or subsidiary company involved in the project must be named in the Workers' Compensation coverage.
8. Any exclusions or provisions in the insurance maintained by the Contractor that excludes coverage for work contemplated in this agreement shall be deemed unacceptable and shall be considered breach of contract.

### **WORKERS' COMPENSATION INSURANCE**

1. The Contractor shall secure and maintain during the life of this Agreement Workers' Compensation insurance for all of his employees employed for the project or any site connected with the work, including supervision, administration or management, of this project and in case any work is sublet, with the approval of the County, the Contractor shall require the Subcontractor similarly to provide Workers' Compensation insurance for all employees employed at the site of the project, and such evidence of insurance shall be furnished to the County not less than ten (10) days prior to the commencement of any and all sub-contractual Agreements which have been approved by the County.

2. Contractor must be in compliance with all applicable State and Federal workers' compensation laws, including the U.S. Longshore Harbor Workers' Act or Jones Act, if applicable.
3. No class of employee, including the Contractor himself, shall be excluded from the Workers' Compensation insurance coverage. The Workers' Compensation insurance shall also include Employer's Liability coverage.

#### **BUSINESS AUTOMOBILE LIABILITY**

Coverage must be afforded for all Owned, Hired, Scheduled, and Non-Owned vehicles for Bodily Injury and Property Damage. If the contractor does not own vehicles, the contractor shall maintain coverage for Hired & Non-Owned Auto Liability, which may be satisfied by way of endorsement to the Commercial General Liability policy or separate Business Auto Policy. Contractor must maintain this insurance coverage throughout the life of this Agreement.

#### **COMMERCIAL GENERAL LIABILITY INSURANCE**

1. The Contractor shall carry other Commercial General Liability insurance against all other Bodily Injury, Property Damage and Personal and Advertising Injury exposures.
2. All liability insurance (other than Professional Liability) shall be written on an occurrence basis and shall not be written on a claims-made basis. Umbrella or Excess Liability insurance can be purchased to meet the Limits of Liability specified in this Agreement.
3. Commercial General Liability coverage shall include the following:
  - 1.) Premises & Operations Liability
  - 2.) Bodily Injury and Property Damage Liability
  - 3.) Contractual Liability
  - 4.) Products and Completed Operations Liability
4. Contractor shall agree to keep in continuous force Commercial General Liability coverage for the length of the contract.

#### **PROFESSIONAL LIABILITY and/or ERRORS AND OMISSIONS LIABILITY**

Coverage must be afforded for Wrongful Acts. Contractor must keep insurance in force until the third anniversary of expiration of this agreement or the third anniversary of acceptance of work by the County.

## LIMITS OF LIABILITY

The insurance required shall be written for not less than the following, or greater if required by law and shall include Employer's liability with limits as prescribed in this contract:

	<u>LIMIT</u>
1. Worker's Compensation	
1.) State	Statutory
2.) Employer's Liability	\$500,000 each accident
2. Business Automobile	\$1M each accident (A combined single limit)
3. Commercial General Liability	\$1M each occurrence for Bodily Injury & Property Damage \$1M each occurrence Products and completed operations
4. Personal and Advertising Injury	\$1M each occurrence
5. Professional Liability (E&O)	\$1M each claim

## NOTICE OF CLAIMS OR LITIGATION

The Contractor agrees to report any incident or claim that results from performance of this Agreement. The County representative shall receive written notice in the form of a detailed written report describing the incident or claim within ten (10) days of the Contractor's knowledge. In the event such incident or claim involves injury and/or property damage to a third party, verbal notification shall be given the same day the Contractor becomes aware of the incident or claim followed by a written detailed report within ten (10) days of verbal notification.

## CERTIFICATE OF INSURANCE

1. Certificates of insurance indicating the job site and evidencing all required coverage must be submitted not less than 10 days prior to the commencement of any of the work. The certificate holder(s) shall be as follows: Okaloosa County, 5479A Old Bethel Road, Crestview, Florida, 32536.
2. The contractor shall provide a Certificate of Insurance to the County with a thirty (30) day notice of cancellation; ten (10) days' notice if cancellation is for nonpayment of premium).
3. In the event that the insurer is unable to accommodate the cancellation notice requirement, it shall be the responsibility of the contractor to provide the proper notice. Such notification shall be in writing by registered mail, return receipt requested, and addressed to the Okaloosa County Purchasing Department at 5479-A Old Bethel Road, Crestview, FL 32536.

4. In the event the contract term goes beyond the expiration date of the insurance policy, the contractor shall provide the County with an updated Certificate of insurance no later than ten (10) days prior to the expiration of the insurance currently in effect. The County reserves the right to suspend the contract until this requirement is met.
5. The certificate shall indicate if coverage is provided under a claims-made or occurrence form. If any coverage is provided on a claims-made form, the certificate will show a retroactive date, which should be the same date of the initial contract or prior.
6. All certificates shall be subject to Okaloosa County's approval of adequacy of protection and the satisfactory character of the Insurer.
7. All deductibles or SIRs, whether approved by Okaloosa County or not, shall be the Contractor's full responsibility. In particular, the Contractor shall afford full coverage as specified herein to entities listed as Additional Insured.
8. In no way will the entities listed as Additional Insured be responsible for, pay for, be damaged by, or limited to coverage required by this schedule due to the existence of a deductible or SIR. Specific written approval from Okaloosa County will only be provided upon demonstration that the Contractor has the financial capability and funds necessary to cover the responsibilities incurred as a result of the deductible or SIR.

## **GENERAL TERMS**

Any type of insurance or increase of limits of liability not described above which, the Contractor required for its own protection or on account of statute shall be its own responsibility and at its own expense.

Any exclusions or provisions in the insurance maintained by the contractor that excludes coverage for work contemplated in this contract shall be deemed unacceptable and shall be considered breach of contract.

The carrying of the insurance described shall in no way be interpreted as relieving the Contractor of any responsibility under this contract.

Should the Contractor engage a subcontractor or sub-subcontractor, the same conditions will apply under this Agreement to each subcontractor and sub-subcontractor.

The Contractor hereby waives all rights of subrogation against Okaloosa County and its consultants and other indemnities of the Contractor under all the foregoing policies of insurance.

## **UMBRELLA INSURANCE**

The Contractor shall have the right to meet the liability insurance requirements with the purchase of an umbrella insurance policy. In all instances, the combination of primary and umbrella liability coverage must equal or exceed the minimum liability insurance limits stated in this Agreement.



**XXII. Taxes and Assessments**

Contractor agrees to pay all sales, use, or other taxes, assessments and other similar charges when due now or in the future, required by any local, state or federal law, including but not limited to such taxes and assessments as may from time to time be imposed by the County in accordance with this Agreement. Contractor further agrees that it shall protect, reimburse and indemnify County from and assume all liability for its tax and assessment obligations under the terms of the Agreement.

The County is exempt from payment of Florida state sales and use taxes. The Contractor shall not be exempted from paying sales tax to its suppliers for materials used to fulfill contractual obligations with the County, nor is the Contractor authorized to use the County's tax exemption number in securing such materials.

The Contractor shall be responsible for payment of its own and its share of its employees' payroll, payroll taxes, and benefits with respect to this Agreement.

**XXIII. Compliance with Laws**

Contractor shall secure any and all permits, licenses and approvals that may be required in order to perform the Work, shall exercise full and complete authority over Contractor's personnel, shall comply with all workers' compensation, employer's liability and all other federal, state, county, and municipal laws, ordinances, rules and regulations required of an employer performing services such as the Work, and shall make all reports and remit all withholdings or other deductions from the compensation paid to Contractor's personnel as may be required by any federal, state, county, or municipal law, ordinance, rule, or regulation.

**XXIV. Federal Regulations**

The parties agree to comply with the Federal Regulations as set forth in Exhibit B, which is expressly incorporated herein as part of the Agreement.

**IN WITNESS WHEREOF**, the parties hereto have made and executed this Contract on the respective dates under each signature.

**GABRIEL, ROEDER, SMITH & COMPANY**

*THEORA BRACCIALARGHE*  
*AUTHORIZED REPRESENTATIVE*  
Printed Name/Title

*Theora Braccialarghe*  
Signature

*8/2/18*  
Date:

**OKALOOSA COUNTY, FLORIDA**

*[Handwritten Signature]*  
Stephanie, Herrick OMB Director

*8/7/18*  
Date:

Exhibit "B"

Standard Contract Clauses

Title VI Clauses for Compliance with Nondiscrimination Requirements

**Solicitations for Subcontracts, Including Procurements of Materials and Equipment: For services being performed under this Contract by Contractor,** solicitations, either by competitive bidding, or negotiation made by the contractor for work to be performed under a subcontract, including procurements of materials, or leases of equipment, each potential subcontractor or supplier will be notified by the contractor of the contractor's obligations under this contract and the Nondiscrimination Acts And Authorities on the grounds of race, color, or national origin.

**FEDERAL FAIR LABOR STANDARDS ACT (FEDERAL MINIMUM WAGE)**

All contracts and subcontracts that result from this Agreement incorporate by reference the provisions of 29 CFR part 201, the Federal Fair Labor Standards Act (FLSA), with the same force and effect as if given in full text. The FLSA sets minimum wage, overtime pay, recordkeeping, and child labor standards for full and part time workers.

The *contractor* has full responsibility to monitor compliance to the referenced statute or regulation. The contractor must address any claims or disputes that arise from this requirement directly with the U.S. Department of Labor – Wage and Hour Division

**OCCUPATIONAL SAFETY AND HEALTH ACT OF 1970**

All contracts and subcontracts that result from this Agreement incorporate by reference the requirements of 29 CFR Part 1910 with the same force and effect as if given in full text. Contractor must provide a work environment that is free from recognized hazards that may cause death or serious physical harm to the employee. The Contractor retains full responsibility to monitor its compliance and their subcontractor's compliance with the applicable requirements of the Occupational Safety and Health Act of 1970 (20 CFR Part 1910). Contractor must address any claims or disputes that pertain to a referenced requirement directly with the U.S. Department of Labor – Occupational Safety and Health Administration.

# EXHIBIT "A"



## REQUEST FOR PROPOSALS (RFP) & RESPONDENT'S ACKNOWLEDGEMENT

**RFP TITLE:**  
ACTUARIAL VALUATION SERVICES

**RFP NUMBER:**  
RFP RM 09-18

**LAST DAY FOR QUESTIONS:** April 30, 2018 3:00 P.M. CST

**RFP OPENING DATE & TIME:** May 7, 2018 3:00 P.M. CST

**NOTE: PROPOSALS RECEIVED AFTER THE PROPOSAL OPENING DATE & TIME WILL NOT BE CONSIDERED.**

Okaloosa County, Florida solicits your company to submit a proposal on the above referenced goods or services. All terms, specifications and conditions set forth in this RFP are incorporated into your response. A proposal will not be accepted unless all conditions have been met. All proposals must have an authorized signature in the space provided below. All envelopes containing sealed proposals must reference the "RFP Title", "RFP Number" and the "RFP Due Date & Time". Okaloosa County is not responsible for lost or late delivery of proposals by the U.S. Postal Service or other delivery services used by the respondent. Neither faxed nor electronically submitted proposals will be accepted. Proposals may not be withdrawn for a period of sixty (60) days after the proposal opening unless otherwise specified.

**RESPONDENT ACKNOWLEDGEMENT FORM BELOW MUST BE COMPLETED, SIGNED, AND RETURNED AS PART OF YOUR BID. BIDS WILL NOT BE ACCEPTED WITHOUT THIS FORM, SIGNED BY AN AUTHORIZED AGENT OF THE RESPONDENT.**

COMPANY NAME Gabriel, Roeder, Smith & Company

MAILING ADDRESS 1 East Broward Blvd, Suite 505

CITY, STATE, ZIP Ft. Lauderdale, FL 33301

FEDERAL EMPLOYER'S IDENTIFICATION NUMBER (FEIN): 38-1691268

TELEPHONE NUMBER: 954-527-1616 EXT: \_\_\_\_\_ FAX: 954-525-0083

EMAIL: Theora.Braccialarghe@grsconsulting.com

I CERTIFY THAT THIS PROPOSAL IS MADE WITHOUT PRIOR UNDERSTANDING, AGREEMENT, OR CONNECTION WITH ANY OTHER RESPONDENT SUBMITTING A PROPOSAL FOR THE SAME MATERIALS, SUPPLIES, EQUIPMENT OR SERVICES, AND IS IN ALL RESPECTS FAIR AND WITHOUT COLLUSION OR FRAUD. I AGREE TO ABIDE BY ALL TERMS AND CONDITIONS OF THIS PROPOSAL AND CERTIFY THAT I AM AUTHORIZED TO SIGN THIS PROPOSAL FOR THE RESPONDENT.

AUTHORIZED SIGNATURE: *Theora Braccialarghe* TYPED OR PRINTED NAME Theora Braccialarghe

TITLE: Authorized Representative DATE May 4, 2018

## **NOTICE TO RESPONDENTS**

### **RFP RM 09-18**

Notice is hereby given that the Board of County Commissioners of Okaloosa County, FL, will accept sealed proposals until **3:00 p.m. (CST) May 7<sup>th</sup>, 2018**, for **ACTUARIAL VALUATION SERVICES**.

Interested respondents desiring consideration shall provide one (1) original and six (6) copies (total of 7) of their Request for Proposals (RFP) response with the respondent's areas of expertise identified. Submissions shall be portrait orientation, unbound, and 8 ½" x 11" where practical.

**All originals must have original signatures in blue ink.**

Proposal documents are available for download by accessing the Okaloosa County website at <http://www.co.okaloosa.fl.us/purchasing/home> then accessing the link "View Current Solicitations" or by accessing the Florida Purchasing Group website at <https://www.bidnetdirect.com/florida>

Submittals must be delivered to the Okaloosa County Purchasing Department at the address listed below no later than **3:00 p.m. (CST) May 7<sup>th</sup>, 2018** in order to be considered. All proposals received after the stated time and date will be returned unopened and will not be considered. All submittals must be in sealed envelopes reflecting on the outside thereof "**ACTUARIAL VALUATION SERVICES**". Failure to clearly mark the outside of the envelope as set forth herein shall result in the submittal not being considered.

The County reserves the right to award to the firm submitting a responsive proposal with a resulting negotiated agreement that is most advantageous and in the best interest of Okaloosa County, and to waive any irregularity or technicality in proposals received. Okaloosa County shall be the sole judge of the proposal and the resulting negotiated agreement that is in its best interest and its decision will be final.

**NOTE: Crestview, FL is not a next day guaranteed delivery location by most delivery services. Respondents using mail or delivery service assume all risk of late or non-delivery.**

All submittals should be addressed as follows:

**ACTUARIAL VALUATION SERVICES**  
**RFP RM 09-18**

Okaloosa County Purchasing Department  
5479A Old Bethel Road  
Crestview, FL 32536

---

Jeffrey Hyde  
Purchasing Manager

---

Date

OKALOOSA COUNTY  
BOARD OF COUNTY COMMISSIONERS

Graham W. Fountain  
Chairman

# **PROPOSAL REQUIREMENTS**

**PROPOSAL #: RFP RM 09-18**

**PROPOSAL ITEM: Actuarial Valuation Services**

## **I. INTRODUCTION**

The Okaloosa County Board of County Commissioners is soliciting proposals from qualified actuaries to provide actuarial services for the County's other post-employment benefits (OPEB). The selected actuary will assist the County in complying with the Governmental Accounting Standards Board (GASB) Statements 74 and 75, which establish standards for the measurement, recognition, and display of OPEB expense and related liabilities. The last full valuation was completed for Fiscal Year (FY) 2016, and a roll forward valuation was completed for FY 2017, which ended on September 30, 2017. The initial contract term is anticipated to be one (1) year, with the option for four (4), one (1)-year renewals. Each renewal must be mutually agreed upon in writing by both parties.

## **II. BACKGROUND**

Okaloosa County, which is located in the Panhandle area of northwest Florida, has an estimated population of 201,170. The County government consists of the Board of County Commissioners and five constitutional officers: Clerk of Circuit Court, Sheriff, Property Appraiser, Supervisor of Elections, and Tax Collector. The Board of County Commissioners, Clerk of Court, Property Appraiser and Tax Collector are covered by the same benefit plans with one exception – the Tax Collector maintains a separate health plan. The Sheriff maintains benefit programs separate and apart from the Board of County Commissioners.

The County provides current employees medical, dental, life, and long term disability insurance. As of September 30, 2017, there were approximately 32 retired County employees enrolled in the County-sponsored medical coverage. Retirees are eligible to participate in the life insurance program for an amount of \$10,000; however, the County does not contribute to the premium.

## **III. SCOPE OF WORK**

The selected actuary shall perform the following services:

1. Provide actuarial services and a valuation report for the County's OPEB. A full valuation will be completed every other year. At a minimum, this annual valuation shall include a table identifying:
  - Service cost
  - Total OPEB liability
  - Changes of benefit terms
  - Differences between expected and actual experience pertaining to economic or demographic factors
  - Changes or assumptions about future economic or demographic factors
  - Contributions from active and inactive members (provided by Finance Department)
  - Benefit payments (provided from insurance company)
  - Administrative expenses (provided by Finance Department)
  - OPEB fiduciary net position
  - Net OPEB liability

- Fiduciary net position as a percentage of total OPEB liability
  - Inflation and healthcare cost trend rates assumptions: including 1 percentage point higher and 1 percentage point lower than the assumed healthcare cost trend rate
  - Assumptions made about projected cash flows in and out of the OPEB plan
  - Covered-employee payroll
  - Net OPEB liability as a percentage of covered-employee payroll
  - Actuarially determined contributions (ADC)
  - Amount of contributions recognized during fiscal year in relation to the ADC
  - Amount of contributions in relation to ADC as a percentage of covered employee payroll
  - Other data as outlined in GASB OPEB Statements
2. Assist the County in complying with the Governmental Accounting Standards Board (GASB) Statements 74 and 75.
  3. Provide an experience study derived from historical demographic information as of October 1, 2017, to September 30, 2020.

The County's Risk Management Department will gather and provide to the selected actuary the demographic and financial data of plan participants.

- a. Active Members – Members in current employment
- b. Terminated Active Members – Members separated from plan membership prior to establishing eligibility to secure plan benefits.
- c. Active Retired Members – Members and survivors participating in health plan benefits.
- d. Terminated Retired Members – Members terminated by death after participating in health plan benefits.

The selected actuary shall review the data for reasonableness. In addition, the selected actuary shall make suggestions and/or identify corrections to the submitted data and communicate same to the County's Risk Manager.

4. Provide an experience study for the following assumptions:
  - a. Healthcare coverage election rates – used to project active employees who will continue health coverage with Okaloosa County after their retirement.
  - b. Spousal coverage election rates – used to project the number of subscribers who will elect to have his/her spouse covered under the plan.
5. Additional services may include:
  - Determine the implicit rate subsidy, if any, and the impact it would have on the OPEB liability
  - Use an acceptable actuarial cost allocation method to assign costs to specific accounting periods
  - Analyze the data to assess any inconsistencies and make recommendations for enhancing data quality
  - Review and update plan documents and design
  - Recommend alternatives for reducing the cost of benefits and/or recommendations on managing the OPEB liability (this may include changes in plan design)
  - Provide information useful in assessing future funding requirements on the County's cash flows

- Assist the Finance Department in the information required for their Comprehensive Annual Financial Report (CAFR) including new required supplementary information (RSI) disclosure requirements
- Prepare an allocation plan for funding liabilities and assigning cost to appropriate classes of participants

#### **IV. SUBMITTAL REQUIREMENTS**

To be considered, interested Respondents shall submit or address the following:

1. Letter of Transmittal – The proposal must clearly indicate the name of the Respondent, including the Respondent's e-mail address and web site information, if applicable, as well as the name, address, telephone number, and e-mail address of the organization's primary contact for this proposal. In addition, the proposal must include the name, address, telephone number, and e-mail address of the Respondent and/or team of Respondents assigned to the Okaloosa County account.
2. A general description of the Respondent's business, including size, number of employees, number of credentialed actuaries, primary business, and other business or services offered. In addition, the Respondent must describe any past or contemplated changes in the ownership structure.
3. A description of the Respondent's qualifications and experience and that of key personnel assigned to this project. The Respondent must provide all required equipment, material, and staff. [NOTE: If the Respondent is a team, the qualifications and experience of all key personnel must be included for each team member.]
4. A description of previous projects that the Respondent has conducted for organizations of similar size and complexity in the FRS. Provide contact names and telephone numbers for references within those organizations who can address past performance. [NOTE: If the Respondent is a team, the same information must be included for each team member.]
5. A project approach & work plan, identifying the beginning and ending dates, as well as the target dates for all planned, interim milestones, if any.
6. A description of the specific data the Respondent would require in order to complete the actuarial study and in what format the data needs to be transmitted.
7. A clear and concise presentation of the proposed fees for the required actuarial services. The fees must be all inclusive for each year. In addition, include the hourly rate for additional services that are available from the Respondent but not required by the scope of this RFP.
8. An estimate of the length of time needed to complete the study and submit a report following the Respondent's receipt of all the required data from Okaloosa County. [NOTE: The data from Okaloosa County will be as of October 1 each year.]
9. A description of all required disclosures included in the valuation report. If any additional information is included, it must also be described in detail.
10. Confirmation that the Respondent will be available to meet with Okaloosa County to review the valuation results, if necessary. [NOTE: The associated cost (if any) must be included in the proposed fee.]

To ensure that this project is completed timely, within sixty (60) days, the County requires that the selected actuary perform steps concurrently to expedite results and recommendations, as feasible. At the discretion of the County, one or more Respondents may be invited to be interviewed for purposes of clarification or discussion of the proposal.

## **V. SELECTION CRITERIA**

The selection of a Respondent to provide professional services will be based on the following criteria:

- 25% Ability of professional personnel assigned to the project to meet the objectives of the project both currently and in future years.
- 25% Cost of services.
- 25% Previous experience of the project team, specifically in similar projects with governments in the Florida Retirement System, implementing GASB Statements 67, 68, 74, and 75, and evaluations of pre-funded OPEB plans. (Provide individual contact names, addresses, and phone numbers that may be used as references).
- 20% Ability to design an approach and work plan to meet project requirement.
- 5% References

The selection process will consist of the following steps:

1. All interested parties shall submit written responses that address each aspect of the Scope of Work and Selection Criteria in the sequence presented in the RFP. Respondents may also include additional material they deem relevant to their selection.
2. A Review Committee will evaluate the submitted proposals, rank their responsiveness to the Selection Criteria, and identify the top-ranked Respondents.
3. The top-ranked Respondents may be invited to make a presentation. Each presentation will be conducted at the Respondent's expense, including all travel costs.
4. The Review Committee shall recommend the final, top-ranked Respondent(s) to the Board of County Commissioners for final approval.

***NOTE: Failure to provide all the required information, in the required format, may disqualify the vendor from further consideration***

## **VI. CALCULATION AND PLAN RECOMMENDATIONS COMPLETION DATE**

We would like to receive this information for use in our fiscal year ending 9/30/18 Comprehensive Annual Financial Report (CAFR) by December 15, 2018. Final valuation data from the September 30, 2016 valuation is available upon request.

## **VII. TERM OF CONTRACT**

The initial contract term is anticipated to be one (1) year, with the option for four (4), one (1)-year renewals. Each renewal must be mutually agreed upon in writing by both parties.



## GENERAL SERVICES INSURANCE REQUIREMENTS

REVISED: 02/8/2018

### **CONTRACTORS INSURANCE**

1. The Contractor shall not commence any work in connection with this Agreement until he has obtained all required insurance and such insurance has been approved by the Okaloosa County Risk Manager or designee.
2. All insurance policies shall be with insurers authorized to do business in the State of Florida.
3. All insurance shall include the interest of all entities named and their respective officials, employees & volunteers of each and all other interests as may be reasonably required by Okaloosa County. The coverage afforded the Additional Insured under this policy shall be primary insurance. If the Additional Insured have other insurance that is applicable to the loss, such other insurance shall be on an excess or contingent basis. The amount of the company's liability under this policy shall not be reduced by the existence of such other insurance.
4. Where applicable, the County shall be shown as an Additional Insured with a Waiver of Subrogation on the Certificate of Insurance.
5. The County shall retain the right to reject all insurance policies that do not meet the requirement of this Agreement. Further, the County reserves the right to change these insurance requirements with 60-day notice to the Contractor.
6. The County reserves the right at any time to require the Contractor to provide copies of any insurance policies to document the insurance coverage specified in this Agreement.
7. The designation of Contractor shall include any associated or subsidiary company which is involved and is a part of the contract and such, if any associated or subsidiary company involved in the project must be named in the Workers' Compensation coverage.
8. Any exclusions or provisions in the insurance maintained by the Contractor that excludes coverage for work contemplated in this agreement shall be deemed unacceptable and shall be considered breach of contract.

### **WORKERS' COMPENSATION INSURANCE**

1. The Contractor shall secure and maintain during the life of this Agreement Workers' Compensation insurance for all of his employees employed for the project or any site connected with the work, including supervision, administration or management, of this project and in case any work is sublet, with the approval of the County, the Contractor shall require the Subcontractor similarly to provide Workers' Compensation insurance for all employees employed at the site of the project, and such evidence of insurance shall be furnished to the County not less than ten (10) days prior to the commencement of any and all sub-contractual Agreements which have been approved by the County.
2. Contractor must be in compliance with all applicable State and Federal workers' compensation laws, including the U.S. Longshore Harbor Workers' Act or Jones Act, if applicable.

3. No class of employee, including the Contractor himself, shall be excluded from the Workers' Compensation insurance coverage. The Workers' Compensation insurance shall also include Employer's Liability coverage.

**BUSINESS AUTOMOBILE LIABILITY**

Coverage must be afforded for all Owned, Hired, Scheduled, and Non-Owned vehicles for Bodily Injury and Property Damage in an amount not less than \$1,000,000 combined single limit each accident. If the contractor does not own vehicles, the contractor shall maintain coverage for Hired & Non-Owned Auto Liability, which may be satisfied by way of endorsement to the Commercial General Liability policy or separate Business Auto Policy. Contractor must maintain this insurance coverage throughout the life of this Agreement.

**COMMERCIAL GENERAL LIABILITY INSURANCE**

1. The Contractor shall carry other Commercial General Liability insurance against all other Bodily Injury, Property Damage and Personal and Advertising Injury exposures.
2. All liability insurance (other than Professional Liability) shall be written on an occurrence basis and shall not be written on a claims-made basis. If the insurance is issued with an aggregate limit of liability, the aggregate limit of liability shall apply only to the locations included in this Agreement. If, as the result of any claims or other reasons, the available limits of insurance reduce to less than those stated in the Limits of Liability, the Contractor shall notify the County representative in writing. The Contractor shall purchase additional liability insurance to maintain the requirements established in this Agreement. Umbrella or Excess Liability insurance can be purchased to meet the Limits of Liability specified in this Agreement.
3. Commercial General Liability coverage shall include the following:
  - 1.) Premises & Operations Liability
  - 2.) Bodily Injury and Property Damage Liability
  - 3.) Independent Contractors Liability
  - 4.) Contractual Liability
  - 5.) Products and Completed Operations Liability
4. Contractor shall agree to keep in continuous force Commercial General Liability coverage for the length of the contract.

**LIMITS OF LIABILITY**

The insurance required shall be written for not less than the following, or greater if required by law and shall include Employer's liability with limits as prescribed in this contract:

	<u><b>LIMIT</b></u>
1. Worker's Compensation	
1.) State	Statutory
2.) Employer's Liability	\$500,000 each accident
2. Business Automobile	\$1M each occurrence (A combined single limit)

- |    |                                 |  |
|----|---------------------------------|--|
| 3. | Commercial General Liability    | \$1M each occurrence<br>for Bodily Injury & Property Damage<br>\$1M each occurrence Products and<br>completed operations |
| 4. | Personal and Advertising Injury | \$1M each occurrence   |
| 5. | Professional Liability (E&O)    | \$1,000,000 (claims made)  |

### **NOTICE OF CLAIMS OR LITIGATION**

The Contractor agrees to report any incident or claim that results from performance of this Agreement. The County representative shall receive written notice in the form of a detailed written report describing the incident or claim within ten (10) days of the Contractor's knowledge. In the event such incident or claim involves injury and/or property damage to a third party, verbal notification shall be given the same day the Contractor becomes aware of the incident or claim followed by a written detailed report within ten (10) days of verbal notification.

### **INDEMNIFICATION & HOLD HARMLESS**

To the fullest extent permitted by law, Contractor shall indemnify and hold harmless the County, its officers and employees from liabilities, damages, losses, and costs including but not limited to reasonable attorney fees, to the extent caused by the negligence, recklessness, or wrongful conduct of the Contractor and other persons employed or utilized by the Contractor in the performance of this contract.

**Note: For Contractor's convenience, this certification form is enclosed and is made a part of the bid package.**

### **CERTIFICATE OF INSURANCE**

1. Certificates of insurance indicating the job site and evidencing all required coverage must be submitted not less than 10 days prior to the commencement of any of the work. The certificate holder(s) shall be as follows: Okaloosa County, 5479A Old Bethel Road, Crestview, Florida, 32536.
2. The contractor shall provide a Certificate of Insurance to the County with a thirty (30) day notice of cancellation; ten (10) days' notice if cancellation is for nonpayment of premium).
3. In the event that the insurer is unable to accommodate the cancellation notice requirement, it shall be the responsibility of the contractor to provide the proper notice. Such notification shall be in writing by registered mail, return receipt requested, and addressed to the Okaloosa County Purchasing Department at 5479-A Old Bethel Road, Crestview, FL 32536.
4. In the event the contract term goes beyond the expiration date of the insurance policy, the contractor shall provide the County with an updated Certificate of insurance no later than ten (10) days prior to the expiration of the insurance currently in effect. The County reserves the right to suspend the contract until this requirement is met.

5. The certificate shall indicate if coverage is provided under a claims-made or occurrence form. If any coverage is provided on a claims-made form, the certificate will show a retroactive date, which should be the same date of the initial contract or prior.
6. All certificates shall be subject to Okaloosa County's approval of adequacy of protection and the satisfactory character of the Insurer. County reserves the right to approve or reject any deductible/SIR above \$10,000. The Certificates of Insurance shall disclose any and all deductibles or self-insured retentions (SIRs).
7. All deductibles or SIRs, whether approved by Okaloosa County or not, shall be the Contractor's full responsibility. In particular, the Contractor shall afford full coverage as specified herein to entities listed as Additional Insured.
8. In no way will the entities listed as Additional Insured be responsible for, pay for, be damaged by, or limited to coverage required by this schedule due to the existence of a deductible or SIR. Specific written approval from Okaloosa County will only be provided upon demonstration that the Contractor has the financial capability and funds necessary to cover the responsibilities incurred as a result of the deductible or SIR.

## **GENERAL TERMS**

Any type of insurance or increase of limits of liability not described above which, the Contractor required for its own protection or on account of statute shall be its own responsibility and at its own expense.

Any exclusions or provisions in the insurance maintained by the contractor that excludes coverage for work contemplated in this contract shall be deemed unacceptable and shall be considered breach of contract.

The carrying of the insurance described shall in no way be interpreted as relieving the Contractor of any responsibility under this contract.

Should the Contractor engage a subcontractor or sub-subcontractor, the same conditions will apply under this Agreement to each subcontractor and sub-subcontractor.

The Contractor hereby waives all rights of subrogation against Okaloosa County and its consultants and other indemnities of the Contractor under all the foregoing policies of insurance.

## **UMBRELLA INSURANCE**

The Contractor shall have the right to meet the liability insurance requirements with the purchase of an umbrella insurance policy. In all instances, the combination of primary and umbrella liability coverage must equal or exceed the minimum liability insurance limits stated in this Agreement.

# GENERAL PROPOSAL CONDITIONS

## 1. PRE-PROPOSAL ACTIVITY -

Except as provided in this section, respondents are prohibited from contacting or lobbying the County, County Administrator, Commissioners, County staff, and Selection Committee members, or any other person authorized on behalf of the County related or involved with the solicitation. All inquiries on the scope of work, specifications, additional requirements, attachments, terms and general conditions or instructions, or any issue must be directed in writing, by US mail or email to:

Okaloosa County Purchasing Department  
5479A Old Bethel Road  
Crestview, FL 32536  
Email: [dmason@myokaloosa.com](mailto:dmason@myokaloosa.com)  
(850) 689-5960

All questions or inquiries must be received no later than the last day for questions (reference RFP & Respondent's Acknowledgement form). Any addenda or other modification to the bid documents will be issued by the County five (5) days prior to the date and time of bid closing, as a written addenda distributed to all prospective respondents by posting to the Florida Online Bid System (Florida Purchasing Group) and the Okaloosa County Web Site.

To access the Florida Online Bid System go to: <https://www.bidnetdirect.com/florida> to access the Okaloosa County Web Site go to: <http://www.co.okaloosa.fl.us/purchasing/current-solicitations>.

Such written addenda or modification shall be part of the proposal documents and shall be binding upon each respondent. Each respondent is required to acknowledge receipt of any and all addenda in writing and submit with their proposal. No respondent may rely upon any verbal modification or interpretation.

2. **PREPARATION OF PROPOSAL** – The proposal form is included with the proposal documents. Additional copies may be obtained from the County. The respondent shall submit originals and bid forms in accordance with the public notice.

All blanks in the proposal documents shall be completed by printing in ink or by typewriter in both words and numbers with the amounts extended, totaled and the proposal signed. A proposal price shall be indicated for each section, proposal item, alternative, adjustment unit price item, and unit price item listed therein, or the words “No Proposal”, “No Change”, or “Not Applicable” entered. No changes shall be made to the phraseology of the form or in the items mentioned therein. In case of any discrepancy between the written amount and the numeric figures, the written amount shall govern. Any proposal which contains any omissions, erasures, alterations, additions, irregularities of any kind, or items not called for which shall in any manner fail to conform to the conditions of public notice inviting proposals may be rejected.

A proposal submitted by a corporation shall be executed in the corporate name by the president or a vice president or other corporate officer who has legal authority to sign.

A proposal submitted by a partnership shall be executed in the partnership name and signed by a partner (whose title must appear under the signature). The official address of the partnership shall be shown below the signature.

A proposal submitted by a limited liability company shall be executed in the name of the firm by a member and accompanied by evidence of authority to sign. The state of formation of the firm and the official address of the firm must be shown below the signature.

A proposal submitted by an individual shall show the respondent's name and official address.

A proposal submitted by a joint venture shall be executed by each joint venture in the manner indicated on the proposal form. The official address of the joint venture must be shown below the signature.

All signatures shall be in blue ink. All names shall be typed or printed below the signature.

The proposal shall contain an acknowledgement of receipt of all Addenda, the numbers of which shall be filled in on the form. The address and telephone # for communications regarding the proposal shall be shown.

If the respondent is an out-of-state corporation, the proposal shall contain evidence of respondent's authority and qualification to do business as an out-of-state corporation in the State of.

- 3. AUTHORITY TO PIGGYBACK** - All respondents submitting a response to this Request for Proposal agree that such response also constitutes a proposal to other Florida local governments under the same conditions, for the same contract price, and for the same effective period, should the respondent feel it is in their best interest to do so.

Each governmental agency desiring to accept this proposal and make an award thereof shall do so independently of any other governmental agency. Each agency shall be responsible for its own purchases and each shall be liable only for materials and/or services ordered and received by it, and no agency assumes any liability by virtue of this RFP. This provision in no way restricts or interferes with the right of any governmental agency to independently procure any or all items.

- 4. INTEGRITY OF PROPOSAL DOCUMENTS** - Respondents shall use the original Proposal documents provided by the Purchasing Department and enter information only in the spaces where a response is requested. Respondents may use an attachment as an addendum to the Proposal documents if sufficient space is not available. Any modifications or alterations to the original proposal documents by the respondent, whether intentional or otherwise, will constitute grounds for rejection of a proposal. Any such modifications or alterations that a respondent wishes to propose must be clearly stated in the respondent's response in the form of an addendum to the original proposal documents.
- 5. SUBMITTAL OF PROPOSAL** - A proposal shall be submitted no later than the date and time prescribed and at the place indicated in the advertisement or invitation to proposal and shall be enclosed in an opaque sealed envelope plainly marked with the project title (and, if applicable, the designated portion of the project for which the proposal is submitted), the name and address of the respondent, and shall be accompanied by the proposal security and other required documents. It is the respondent's responsibility to assure that its proposal is delivered at the proper time and place. Offers by telegram, facsimile, or telephone will **NOT** be accepted.

**Note: Crestview is not a next day delivery site for overnight carriers.**

- 6. MODIFICATION & WITHDRAWAL OF PROPOSAL** - A proposal may be modified or withdrawn by an appropriate document duly executed in the manner that a proposal must be executed

and delivered to the place where proposals are to be submitted prior to the date and time for the opening of proposals.

If within 24 hours after proposals are opened any respondent files a duly signed written notice with the County and promptly thereafter demonstrates to the reasonable satisfaction of the County that there was a material substantial mistake in the preparation of its proposal, that respondent may withdraw its proposal, and the proposal security may be returned. Thereafter, if the work is re-proposal, that respondent will be disqualified from 1) further purposing on the work, and 2) doing any work on the contract, either as a subcontractor or in any other capacity.

7. **PROPOSALS TO REMAIN SUBJECT TO ACCEPTANCE** – All proposals will remain subject to acceptance or rejection for sixty (60) calendar days after the day of the proposal opening, but the County may, in its sole discretion, release any proposal and return the proposal security prior to the end of this period.
8. **IDENTICAL TIE PROPOSALS** – In cases of identical procurement responses, the award shall be determined either by lot or on the basis of factors deemed to serve the best interest of the County. In the case of the latter, there must be adequate documentation to support such a decision.
9. **CONDITIONAL & INCOMPLETE PROPOSALS** - Okaloosa County specifically reserves the right to reject any conditional proposal and proposals which make it impossible to determine the true amount of the proposal.
10. **PROPOSAL PRICE** – The proposal price shall include all equipment, labor, materials, permit(s), freight, taxes, required insurance, Public Liability, Property Damage and Workers' Compensation, etc. to cover the finished work called for.
11. **ADDITION/DELETION OF ITEM** – The County reserves the right to add or delete any item from this proposal or resulting contract when deemed to be in the County's best interest.
12. **SPECIFICATION EXCEPTIONS** – Specifications are based on the most current literature available. Respondent shall clearly list any change in the manufacturer's specifications which conflict with the proposal specifications. Respondent must also explain any deviation from the proposal specification in writing, as a foot note on the applicable proposal page and enclose a copy of the manufacturer's specifications data detailing the changed item(s) with their proposal. Failure of the respondent to comply with these provisions will result in respondents being held responsible for all costs required to bring the equipment in compliance with proposal specifications.
13. **APPLICABLE LAWS & REGULATIONS** – All applicable Federal and State laws, County and municipal ordinances, orders, rules and regulations of all authorities having jurisdiction over the project shall apply to the proposal throughout, and they will be deemed to be included in the contract the same as though they were written in full therein.
14. **DISQUALIFICATION OF RESPONDENTS** - Any of the following reasons may be considered as sufficient for the disqualification of a respondent and the rejection of its proposal:
  - a. Submission of more than one proposal for the same work from an individual, firm or corporation under the same or different name.

- b. Evidence that the respondent has a financial interest in the firm of another respondent for the same work.
- c. Evidence of collusion among respondents. Participants in such collusion will receive no recognition as respondents for any future work of the County until such participant has been reinstated as a qualified respondent.
- d. Uncompleted work which in the judgment of the County might hinder or prevent the prompt completion of additional work if awarded.
- e. Failure to pay or satisfactorily settle all bills due for labor and material on former contracts in force at the time of advertisement of proposals.
- f. Default under previous contract.
- g. Listing of the respondent by Local, State or Federal Government on its barred/suspended vendor list.

**15. AWARD OF CONTRACT -**

**Okaloosa County Review** - A selection committee will review all proposals and will participate in the Recommendation to Award.

The contract shall be awarded to the responsible and responsive respondent whose proposal is determined to be the most advantageous to the County, taking into consideration the price and other criteria set forth in the request for proposals. The County reserves the right to reject any and all proposals or to waive any irregularity or technicality in proposals received. The County shall be the sole judge of the proposal and the resulting negotiated agreement that is in its best interest and its decision shall be final.

Okaloosa County reserves the right to waive any informalities or reject any and all proposals, in whole or part, to utilize any applicable state contracts in lieu of or in addition to this proposal and to accept the proposal that in its judgment will best serve the interest of the County.

Okaloosa County specifically reserves the right to reject any conditional proposals and proposals which make it impossible to determine the true amount of the proposal. Each item must be proposal separately and no attempt is to be made to tie any item or items to any other item or items.

- 16. PAYMENTS** – The respondent shall be paid upon submission of invoices and approval of acceptance by Okaloosa County Board of County Commissioners, Finance Office, 302 N. Wilson St., #203, Crestview FL 32536, for the prices stipulated herein for articles delivered and accepted. Invoices must show Contract number.
- 17. DISCRIMINATION** - An entity or affiliate who has been placed on the discriminatory vendor list may not submit a proposal on a contract to provide goods or services to a public entity, may not submit a proposal on a contract with a public entity for the construction or repair of a public building or public work, may not submit proposals on leases of real property to a public entity, may not award or perform work as a contractor, supplier, subcontractor, or consultant under contract with any public entity, and may not transact business with any public entity.



18. **PUBLIC ENTITY CRIME INFORMATION** - Pursuant to Florida Statute 287.133, a respondent may not be awarded or perform work as a contractor, supplier, subcontractor, or consultant under a contract with any public entity; and may not transact business with any public entity in excess of the threshold amount provided in s. 287.017 for CATEGORY TWO for a period of 36 months following the date of being placed on the convicted vendor list.
19. **CONFLICT OF INTEREST** - The award hereunder is subject to the provisions of Chapter 112, Florida Statutes. All respondents must disclose with their proposals the name of any officer, director, or agent who is also a public officer or an employee of the Okaloosa Board of County Commissioners, or any of its agencies. Furthermore, all respondents must disclose the name of any County officer or employee who owns, directly or indirectly, an interest of five percent (5%) or more in the firm or any of its branches.

**Note: For respondent's convenience, this certification form is enclosed and is made a part of the proposal package.**

20. **REORGANIZATION OR BANKRUPTCY PROCEEDINGS** – Proposals will not be considered from respondents who are currently involved in official financial reorganization or bankruptcy proceedings.
21. **INVESTIGATION OF RESPONDENT** – The County may make such investigations, as it deems necessary to determine the stability of the respondent to perform the work and that there is no conflict of interest as it relates to the project. The respondent shall furnish to the Owner any additional information and financial data for this purpose as the County may request.
22. **CONE OF SILENCE** - The Okaloosa County Board of County Commissioners has established a solicitation silence policy (**Cone of Silence**) that prohibits oral and written communication regarding all formal solicitations for goods and services (formal proposals, Request for Proposals, Requests for Qualifications) issued by the Board through the County Purchasing Department. The period commences from the date of advertisement until award of contract.

**Note: For respondent's convenience, this certification form is enclosed and is made a part of the proposal package.**

23. **REVIEW OF PROCUREMENT DOCUMENTS** - Per Florida Statute 119.071(1)(b)2. sealed bids, proposals, or replies received by the County pursuant to a competitive solicitation are exempt from public disclosure until such time as the County provides notice of an intended decision or until 30 days after opening the bids, proposals, or final replies, whichever is earlier.
24. **COMPLIANCE WITH FLORIDA STATUTE 119.0701** - The Respondent shall comply with all the provisions of section 119.0701, Florida Statutes relating to the public records which requires, among other things, that the Respondent: (a) Keep and maintain public records; (b) Provide the public with access to public records on the same terms and conditions that the public agency would provide the records; (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; and (d) Meet all requirements for retaining public records and transfer, at no cost, to the public agency all public records in possession of the respondent upon termination of the contract.
25. **PROTECTION OF RESIDENT WORKERS** – The Okaloosa County Board of County Commissioners actively supports the Immigration and Nationality Act (INA) which includes provisions addressing employment eligibility, employment verifications, and nondiscrimination. Under the INA, employers

may hire only persons who may legally work in the United States (i.e., citizens and nationals of the U.S.) and aliens authorized to work in the U.S. The employer must verify the identity and employment eligibility of anyone to be hired, which includes completing the Employment Eligibility Verifications. The respondent shall establish appropriate procedures and controls so no services or products under the Contract Documents will be performed or manufactured by any worker who is not legally eligible to perform such services or employment. Okaloosa County reserves the right to request documentation showing compliance with the requirements.

Respondents doing construction business with Okaloosa County are required to use the Federal Government Department of Homeland Security's website and use the E-Verify Employment Eligibility Verifications System to confirm eligibility of all employees to work in the United States.

26. **SUSPENSION OR TERMINATION FOR CONVENIENCE** - The County may, at any time, without cause, order Respondent in writing to suspend, delay or interrupt the work in whole or in part for such period of time as the County may determine, or to terminate all or a portion of the Contract for the County's convenience. Upon such termination, the Contract Price earned to the date of termination shall be paid to Respondent, but Respondent waives any claim for damages, including loss of profits arising out of or related to the early termination. Those Contract provisions which by their nature survive final acceptance shall remain in full force and effect. If the County orders a suspension, the Contract price and Contract time may be adjusted for increases in the cost and time caused by suspension, delay or interruption. No adjustment shall be made to the extent that performance is, was or would have been so suspended, delayed or interrupted by reason for which Respondent is responsible; or that an equitable adjustment is made or denied under another provision of this Contract.
27. **FAILURE OF PERFORMANCE/DELIVERY** - In case of default by the respondent, the County after due notice (oral or written) may procure the necessary supplies or services from other sources and hold the respondent responsible for difference in cost incurred. Continuous instances of default shall result in cancellation of the contract and removal of the respondent from the proposal list for duration of one (1) year, at the option of the County.
28. **AUDIT** - If requested, respondent shall permit the County or an authorized, independent audit agency to inspect all data and records of respondent relating to its performance and its subcontracts under this contract from the date of the contract through and until three (3) years after the expiration of contract.
29. **EQUAL EMPLOYMENT OPPORTUNITY; NON DISCRIMINATION** - Respondent shall not discriminate against any employee or an applicant for employment because of race, color, religion, gender, sexual orientation, national origin, age, familial status or handicap.
30. **NON-COLLUSION** - Respondent certifies that it has entered into no agreement to commit a fraudulent, deceitful, unlawful or wrongful act, or any act which may result in an unfair advantage over other respondents. See Florida Statute 838.22.
31. **UNAUTHORIZED ALIENS/PATRIOT'S ACT** - The knowing employment by respondent or its subcontractors of any alien not authorized to work by the immigration laws is prohibited and shall be a default of the contract. In the event that the respondent is notified or becomes aware of such default, the respondent shall take steps as are necessary to terminate said employment with 24 hours of notification or actual knowledge that an alien is being employed. Respondent's failure to take such steps as are necessary to terminate the employment of any said alien within 24 hours of notification or actual knowledge that an alien is being employed shall be grounds for immediate termination of the

contract. Respondent shall take all commercially reasonable precautions to ensure that it and its subcontractors do not employ persons who are not authorized to work by the immigration laws.

**32. The following documents are to be submitted with the proposal packet:**

- A. Drug-Free Workplace Certification Form
- B. Conflict of Interest
- C. Federal E-Verify
- D. Code of Silence
- E. Indemnification and Hold Harmless
- F. Company Data
- G. Systems of Awards Management
- H. Addendum Acknowledgement
- I. Prohibition to Lobbying
- J. Certification Regarding Lobbying Proposal Sheet
- K. Governmental Debarment & Suspension
- L. Standard Additional Clauses "Exhibit B"
- M. Draft Contract

[THIS SPACE IS INTENTIONALLY LEFT BLANK]


## DRUG-FREE WORKPLACE CERTIFICATION

THE BELOW SIGNED RESPONDENT CERTIFIES that it has implemented a drug-free workplace program. In order to have a drug-free workplace program, a business shall:

1. Publish a statement notifying employees that the unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance is prohibited in the workplace and specifying the actions that will be taken against employees for violations of such prohibition.
2. Inform employees about the dangers of drug abuse in the workplace, the business's policy of maintaining a drug-free workplace, any available drug counseling, rehabilitation and employee assistance programs, and the penalties that may be imposed upon employees for drug abuse violations.
3. Give each employee engaged in providing the commodities or contractual services that are under quote a copy of the statement specified in subsection 1.
4. In the statement specified in subsection 1, notify the employees that, as a condition of working on the commodities or contractual services that are under quote, the employee will abide by the terms of the statement and will notify the employer of any conviction of, or plea of guilty or nolo contendere to, any violation of Chapter 893, Florida Statutes, or of any controlled substance law of the United States or any state, for a violation occurring in the workplace no later than five (5) days after such conviction.
5. Impose a sanction on, or require the satisfactory participation in, drug abuse assistance or rehabilitation program if such is available in employee's community, by any employee who is convicted.
6. Make a good faith effort to continue to maintain a drug-free workplace through implementation of this section.

As the person authorized to sign this statement, I certify that this firm complies fully with the above requirements.

DATE: April 30, 2018

SIGNATURE: 

COMPANY: Gabriel, Roeder, Smith & Company

NAME: Becki L. Watson  
(Typed or Printed)

ADDRESS: One East Broward Blvd.

Suite 505

Ft. Lauderdale, FL 33301-1804

TITLE: HR Director

E-MAIL: becki.watson@grsconsulting.com

PHONE NO.: (248) 799-9000, Ext. 1155

## CONFLICT OF INTEREST DISCLOSURE FORM

For purposes of determining any possible conflict of interest, all respondents, must disclose if any Okaloosa Board of County Commissioner, employee(s), elected officials(s), or if any of its agencies is also an owner, corporate officer, agency, employee, etc., of their business.

Indicate either "yes" (a county employee, elected official, or agency is also associated with your business), or "no". If yes, give person(s) name(s) and position(s) with your business.

YES: \_\_\_\_\_

NO:   X  

**NAME(S)**

**POSITION(S)**

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FIRM NAME:   Gabriel, Roeder, Smith & Company  

BY (PRINTED):   Theora Braccialarghe  

BY (SIGNATURE):   *Theora Braccialarghe*  

TITLE:   Authorized Representative  

ADDRESS:   1E Broward Blvd., Ste 505, Ft. Lauderdale, FL 33301  

PHONE NO.:   954-527-1616  

E-MAIL:   Theora.Braccialarghe@grsconsulting.com  

DATE:   May 4, 2018


## FEDERAL E-VERIFY COMPLIANCE CERTIFICATION

In accordance with Okaloosa County Policy and Executive Order Number 11-116 from the office of the Governor of the State of Florida, Respondent hereby certifies that the U.S. Department of Homeland Security's E-Verify system will be used to verify the employment eligibility of all new employees hired by the respondent during the contract term, and shall expressly require any subcontractors performing work or providing services pursuant to the contract to likewise utilize the U.S. Department of Homeland Security's E-Verify system to verify the employment eligibility of all new employees hired by the subcontractor during the contract term; and shall provide documentation such verification to the COUNTY upon request.

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As the person authorized to sign this statement, I certify that this company complies/will comply fully with the above requirements.

DATE: April 30, 2018

SIGNATURE: 

COMPANY: Gabriel, Roeder, Smith & Company

NAME: Becki L. Watson

ADDRESS: One East Broward Blvd.

TITLE: HR Director/EEO Officer

Suite 505

Ft. Lauderdale, FL 33301-1804

E-MAIL: becki.watson@grsconsulting.com

PHONE NO.: (248) 799-9000, Ext. 1155

## **CONE OF SILENCE**

The Board of County Commissioners have established a solicitation silence policy (**Cone of Silence**) that prohibits oral and written communication regarding all formal solicitations for goods and services (ITB, RFP, ITQ, ITN, and RFQ) or other competitive solicitation between the bidder (or its agents or representatives) or other entity with the potential for a financial interest in the award (or their respective agents or representatives) regarding such competitive solicitation, and any County Commissioner or County employee, selection committee member or other persons authorized to act on behalf of the Board including the County's Architect, Engineer or their sub-consultants, or anyone designated to provide a recommendation to award a particular contract, other than the Purchasing Department Staff..

The period commences from the time of advertisement until contract award.

Any information thought to affect the committee or staff recommendation submitted after bids are due, should be directed to the Purchasing Manager or an appointed representative. It shall be the Purchasing Manager's decision whether to consider this information in the decision process.

**Any violation of this policy shall be grounds to disqualify the respondent from consideration during the selection process.**

All respondents must agree to comply with this policy by signing the following statement and including it with their submittal.

I Theora Braccialarghe representing Gabriel, Roeder, Smith & Company  
Signature Company Name

On this 4th day of May, 2018 hereby agree to abide by the County's "**Cone of Silence Clause**" and understand violation of this policy shall result in disqualification of my proposal/submittal.

## INDEMNIFICATION AND HOLD HARMLESS

To the fullest extent permitted by law, and covered by our insurance, Respondent shall indemnify and hold harmless the County, its officers and employees from liabilities, damages, losses, and costs including but not limited to reasonable attorney fees, to the extent caused by the gross negligence, recklessness, or intentional wrongful conduct of the Respondent and other persons employed or utilized by the Respondent in the performance of this Agreement.

Gabriel, Roeder, Smith & Company  
Respondent's Company Name

1 East Broward Blvd, Ste 505  
Ft. Lauderdale, FL 33301

Physical Address

1 East Broward Blvd, Ste 505  
Ft. Lauderdale, FL 33301

Mailing Address

954-527-1616

Phone Number

None

Cellular Number

May 4, 2018

Date

  
Authorized Signature – Manual

Theora Braccialarghe

Authorized Signature – Typed

Authorized Representative

Title

954-525-0083

FAX Number

None

After-Hours Number(s)

Theora.Braccialarghe@grsconsulting.com

Email



## COMPANY DATA

Respondent's Company Name: Gabriel, Roeder, Smith & Company

Physical Address & Phone #: 1 East Broward Boulevard, Suite 505

Ft. Lauderdale, FL 33301

954-527-1616

Contact Person (Typed-Printed): Nicolas Lahaye

Phone #: 954-527-1616

Cell #: None

Email: Nicolas.Lahaye@grsconsulting.com

Federal ID or SS #: 38-1691268

Respondent's License #: EA# 17-7775

Respondent's DUNS #: 07-984-8560

Fax #: 954-525-0083

Emergency #'s After Hours,  
Weekends & Holidays: None

## SYSTEM FOR AWARD MANAGEMENT (OCT 2016)

(a) Definitions. As used in this provision.

“Electronic Funds Transfer (EFT) indicator” means a four-character suffix to the unique entity identifier. The suffix is assigned at the discretion of the commercial, nonprofit, or Government entity to establish additional System for Award Management records for identifying alternative EFT accounts (see [subpart 32.11](#)) for the same entity.

“Registered in the System for Award Management (SAM) database” means that.

(1) The Offeror has entered all mandatory information, including the unique entity identifier and the EFT indicator, if applicable, the Commercial and Government Entity (CAGE) code, as well as data required by the Federal Funding Accountability and Transparency Act of 2006 (see [subpart 4.14](#)) into the SAM database;

(2) The offeror has completed the Core, Assertions, and Representations and Certifications, and Points of Contact sections of the registration in the SAM database;

(3) The Government has validated all mandatory data fields, to include validation of the Taxpayer Identification Number (TIN) with the Internal Revenue Service (IRS). The offeror will be required to provide consent for TIN validation to the Government as a part of the SAM registration process; and

(4) The Government has marked the record “Active”.

“Unique entity identifier” means a number or other identifier used to identify a specific commercial, nonprofit, or Government entity. See [www.sam.gov](http://www.sam.gov) for the designated entity for establishing unique entity identifiers.

(b)(1) By submission of an offer, the offeror acknowledges the requirement that a prospective awardee shall be registered in the SAM database prior to award, during performance, and through final payment of any contract, basic agreement, basic ordering agreement, or blanket purchasing agreement resulting from this solicitation.

(2) The Offeror shall enter, in the block with its name and address on the cover page of its offer, the annotation “Unique Entity Identifier” followed by the unique entity identifier that identifies the Offeror’s name and address exactly as stated in the offer. The Offeror also shall enter its EFT indicator, if applicable. The unique entity identifier will be used by the Contracting Officer to verify that the Offeror is registered in the SAM database.

(c) If the Offeror does not have a unique entity identifier, it should contact the entity designated at [www.sam.gov](http://www.sam.gov) for establishment of the unique entity identifier directly to obtain one. The Offeror should be prepared to provide the following information:

- (1) Company legal business name.
- (2) Tradestyle, doing business, or other name by which your entity is commonly recognized.
- (3) Company Physical Street Address, City, State, and Zip Code.
- (4) Company Mailing Address, City, State and Zip Code (if separate from physical).
- (5) Company telephone number.
- (6) Date the company was started.
- (7) Number of employees at your location.
- (8) Chief executive officer/key manager.
- (9) Line of business (industry).
- (10) Company Headquarters name and address (reporting relationship within your entity).

(d) If the Offeror does not become registered in the SAM database in the time prescribed by the Contracting Officer, the Contracting Officer will proceed to award to the next otherwise successful registered Offeror.

(e) Processing time, which normally takes 48 hours, should be taken into consideration when registering. Offerors who are not registered should consider applying for registration immediately upon receipt of this solicitation.

(f) Offerors may obtain information on registration at <https://www.acquisition.gov> .

Offerors SAM information:

Entity Name: Gabriel, Roeder, Smith & Company

Entity Address: 1 East Broward Blvd, Ste 505, Ft. Lauderdale FL 33301

Duns Number: 07-984-8560

CAGE Code: NA

**ADDENDUM ACKNOWLEDGEMENT**  
RFP RM 09-18

Acknowledgment is hereby made of the following addenda (identified by number) received since issuance of solicitation:

<b><u>ADDENDUM NO.</u></b>	<b><u>DATE</u></b>
Addendum No. 1	May 1, 2018
Addendum No. 2	May 3, 2018

NOTE: Prior to submitting the response to this solicitation, it is the responsibility of the respondent to confirm if any addenda have been issued. If such addenda have been issued, acknowledge receipt by noting number(s) and date(s) above.

## LOBBYING - 31 U.S.C. 1352, as amended

### APPENDIX A, 44 CFR PART 18--CERTIFICATION REGARDING LOBBYING

Certification for Contracts, Grants, Loans, and Cooperative Agreements  
(To be submitted with each bid or offer exceeding \$100,000)

The undersigned [Contractor] certifies, to the best of his or her knowledge and belief, that:

1. No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of an agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.
2. If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form--LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions
3. The undersigned shall require that the language of this certification be included in the award documents for all sub-awards at all tiers (including subcontracts, sub-grants, and contracts under grants, loans, and cooperative agreements) and that all sub-recipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by 31, U.S.C. § 1352 (as amended by the Lobbying Disclosure Act of 1995). Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

The Contractor, Gabriel, Roeder, Smith & Company, certifies or affirms the truthfulness and accuracy of each statement of its certification and disclosure, if any. In addition, the Contractor understands and agrees that the provisions of 31 U.S.C. A 3801, *et seq.*, apply to this certification and disclosure, if any.

Theora Braccialarghe Signature of Contractor's Authorized Official  
Theora Braccialarghe  
Authorized Representative Name and Title of Contractor's Authorized Official

May 4, 2018 Date

## ADDENDUM 1

RFP RM 09-18

### ACTUARIAL ALUATION SERVICES

1. Can you provide the amount of the total fees paid to the current actuarial vendor in 2016 and 2017? Was the scope of that work the same as required in this RFP? 2016 - \$11,000-2017 - \$3,500. In essence yes, however, this RFP contemplates the requirement to comply with GASB 75.
2. Please identify a current actuarial vendor. How long has the current actuarial vendor served the County in that capacity? Milliman, Inc. since 2008, contact Sebastian Jaramillo
3. Is the current actuarial vendor allowed to bid on this assignment? Yes
4. Has the County been totally satisfied with the current vendor? Not totally
5. How many people are currently covered by OPEB plan? 30
6. Please confirm that OPEB plan sponsored by county is a single-employer, agent multiple-employer or cost-sharing multiple-employer plan? Single-employer
7. Can you provide the copies of the most recent actuarial funding valuation report for OPEB plan and GASB disclosure report? Yes.
8. Will any preference be given to the bidder maintaining an office in the State of Florida? No
9. How many live meetings will be required under the terms of the engagement and must be included into the total fees? One optional live meeting annually at our request. It can be via voice conference or web meeting if needed.
10. Regarding cost proposal: does the County require bidders to provide not to exceed fee for experience study (Scope of Work, part 4) and additional services (Scope of Work, part 5), or we just need to provide the hourly rate for these particular services? – Items 1-4 are included in the required actuary services and should be included in the proposed fee. Additional services could be proposed in total (not hourly) or could be based on an hourly rate. Additional services will be requested as needed and are not guaranteed.
11. Paragraph # 32 of RFP documents includes the list of the forms to be submitted with proposal package. Please clarify
  - A. Are we required to submit the draft of the contract agreement with proposal? Do we need to fill out any information? It's our understanding that the contract will be signed with the winning bidder. It's provided for informational purposes and it does need to be submitted as part of the proposal package as an acknowledgement of the terms and considerations that will be included in any related awarded contract.
  - B. What information do we need to provide with the Standard Additional Clauses "Exhibit B" form? It appears that the form is not required any signature or certification. Please confirm that we need to include the form with the proposal package and what information needs to be provided with it. Exhibit B is provided to outline the contract provisions and contract form that will executed upon vendor selection. You do not need to include with the proposal package, however; by submitting your proposal you are acknowledging knowledge of the terms and conditions that will be included in any award agreement.

C. We have not seen any "Governmental Debarment and Suspension Form" with RFP package. Please advise if this form needs to be completed and included with proposal package, and provide a copy of the form or advise us how we can download it from public website. Everything you need is in the RFP package.

D. Certification Regarding Lobbying Proposal Sheet: we understand that every bidder is required to sign "Prohibition to Lobbying" form, but we have not seen any separate Certification Regarding Lobbying Proposal Sheet Form. There is a Proposal Sheet included with RFP package, but it appears that this sheet will be used by County to evaluate proposals. Are we required to fill out any information in the Proposal Sheet and include it with proposal package? - Yes, please provide with the package as acknowledgement of the scoring criteria. Is there a separate "Certification Regarding Lobbying Proposal Sheet" form? - Yes, the form is titled LOBBYING – 31 U.S.C. 1352, as amended and does require certification.

12. What are the fixed fees billed in the last two years for the scope of services covered? \$11,000 for full valuation, \$3,500 for abbreviated roll forward valuation.
13. What special and/or out of scope services has been billed for in the last two years, in addition to the fixed fees? How many hours were billed for these services? No additional services were requested.
14. Are there any service concerns and/or limitations with the current actuary? No
15. How long has the current actuary been providing actuarial services? Since April 2008
16. Our standard consulting agreement terms and conditions include some limitation on liability for mere negligence or from consequential damages.
  - a. Is the City County open to accepting mutually-agreeable contract terms, which include some limitation of liability on the work performed by the contracting actuarial firm? Yes
  - b. Also, are there any statutory requirements regarding limitation of liability of which we should be aware? None known.
  - c. Have you ever sued or threatened to sue your actuarial services vendor? If yes, please provide the dates and circumstances of such suits. No.
17. Please provide most recent copy of OPEB valuation report. Report is attached for your reference.
18. Most recent actuarial experience study - We have not had an experience study completed in the past.
19. Any projections performed for OPEB plans – Projections are included under Exhibit #5 in the attached valuation report.
20. Will the County require three separate reports (one each for: a) the Board of County Commissioners, Clerk of Court, and Property Appraiser; b) Tax Collector, and, c) the Sherriff? One report to include the Board of County Commissioners, Clerk of Court and Property Appraiser is sufficient. The Sheriff does not participate any of the County's health insurance programs. The Tax Collector does not participate in the County's health insurance program; however, his employees do participate in the County's dental, life and disability programs.
21. If yes, can the County provide a break-down of Active, Inactive, and Retired participants for each group above? N/A

22. When are the final reports due each year for the for the OPEB valuation report? November 1<sup>st</sup>.
23. What is the expected due date for the required historical experience study? November 1<sup>st</sup>.
24. What are the expected due dates for the two assumption-based experience studies? November 1<sup>st</sup>.
25. Is it the County's expectation that the experience studies and the 'Additional Services' as specified in RFP Section III - Scope of Work, Item 5 would be included in a fixed fee (not to exceed) bid for all services or billed at an hourly rate? Items 1-4 are included in the required actuary services and should be included in the proposed fee. Additional services could be proposed in total (not hourly) or could be based on an hourly rate. Additional services will be requested as needed and are not guaranteed.
26. Is the County requesting bid pricing for the (4) optional one-year renewal years? No.
27. RFP Section V. Selection Criteria, Bullet 3 states: "Previous experience of the project team, specifically in similar projects with governments in the Florida Retirement System, implementing GASB Statements 67, 68, 74, and 75, and evaluations of pre-funded OPEB plans. (Provide individual contact names, addresses, and phone numbers that may be used as references)".  
Although our firm does perform defined pension plan valuations under GASB 67/68, our primary focus is on providing cost effective OPEB plan valuations under GASB 43/45 and GASB 74/75 and can provide local references for those actuarial services. Will the County accept bid proposals that only include GASB 45/75 references (locally and similar entities nationwide)? Yes
28. Why are these services going out to bid at this time? It has not been bid in the past.
29. Please indicate the make-up of the evaluation committee. We would just like to know the positions and titles. Finance, Administration & Compliance Manager with TDD, Airports Project Manager, Office Supervisor with Department of Corrections, Engineer II with Water and Sewer Department, and Operations Manager with Public Works Department
30. Please provide a copy of the incumbent actuary's most recent engagement letter or contract with the County. Please see the link listed for the contract [http://www.co.okaloosa.fl.us/sites/default/files/contracts/contra\\_pdf/C08-1626-RM.pdf](http://www.co.okaloosa.fl.us/sites/default/files/contracts/contra_pdf/C08-1626-RM.pdf)
31. What fees were paid for special projects during the past three years? There were no special projects requested.
32. Does the plan have any concerns with the incumbent actuary? No.
33. Are there any current service or cost concerns that Okaloosa County wants to avoid with the new actuarial firm? N/A
34. The RFP includes a form titled "Indemnification and Hold Harmless" and a draft contract that has a section entitled "Indemnification and Hold Harmless". Which one supersedes the other? Section XV111 supersedes,



however; we still need the form within the bid package to be returned signed. Also, can these clauses and the contract be negotiated? Yes, the contract can be negotiated, it is only a draft contract and will not be final until after we have selected a vendor and had a negotiation meeting. However, most of the clauses are standard for our contract.

35. The OPEB benefits are currently unfunded. Do you have plans to start funding the OPEB benefits in a qualified Trust, which would require accounting under GASB No. 74? No
36. The RFP asks for previous projects that we have conducted for organizations of similar size and complexity in the FRS. Please clarify if "in the FRS" refers to an organization that actually participates in the Florida Retirement System or to an organization that is located in Florida (and not necessarily participating in the Florida Retirement System). FRS refers to an organization that actually participates in the Florida Retirement System.

ADDENDUM 2

RFP RM 09-18

ACTUARIAL ALUATION SERVICES

This addendum is to waive the following requirement from this RFP:

Form G from Item # 32 is being waived for this project. Any vendor submitting a proposal for this project will not be required to complete and return the Systems of Awards Management Form.

## Exhibit "B"

### Title VI Clauses for Compliance with Nondiscrimination Requirements

#### Compliance with Nondiscrimination Requirements

During the performance of this contract, the contractor, for itself, its assignees, and successors in interest (hereinafter referred to as the "contractor") agrees as follows:

1. **Compliance with Regulations:** The contractor (hereinafter includes consultants) will comply with the Title VI List of Pertinent Nondiscrimination Acts And Authorities, as they may be amended from time to time, which are herein incorporated by reference and made a part of this contract.
2. **Non-discrimination:** The contractor, with regard to the work performed by it during the contract, will not discriminate on the grounds of race, color, or national origin in the selection and retention of subcontractors, including procurements of materials and leases of equipment. The contractor will not participate directly or indirectly in the discrimination prohibited by the Nondiscrimination Acts and Authorities, including employment practices when the contract covers any activity, project, or program set forth in Appendix B of 49 CFR part 21.
3. **Solicitations for Subcontracts, Including Procurements of Materials and Equipment:** In all solicitations, either by competitive bidding, or negotiation made by the contractor for work to be performed under a subcontract, including procurements of materials, or leases of equipment, each potential subcontractor or supplier will be notified by the contractor of the contractor's obligations under this contract and the Nondiscrimination Acts And Authorities on the grounds of race, color, or national origin.
4. **Information and Reports:** The contractor will provide all information and reports required by the Acts, the Regulations, and directives issued pursuant thereto and will permit access to its books, records, accounts, other sources of information, and its facilities as may be determined by the sponsor or the Federal Aviation Administration to be pertinent to ascertain compliance with such Nondiscrimination Acts And Authorities and instructions. Where any information required of a contractor is in the exclusive possession of another who fails or refuses to furnish the information, the contractor will so certify to the sponsor or the Federal Aviation Administration, as appropriate, and will set forth what efforts it has made to obtain the information.
5. **Sanctions for Noncompliance:** In the event of a contractor's noncompliance with the Non-discrimination provisions of this contract, the sponsor will impose such contract sanctions as it or the Federal Aviation Administration may determine to be appropriate, including, but not limited to:
  - a. Withholding payments to the contractor under the contract until the contractor complies; and/or
  - b. Cancelling, terminating, or suspending a contract, in whole or in part.
6. **Incorporation of Provisions:** The contractor will include the provisions of paragraphs one through six in every subcontract, including procurements of materials and leases of equipment,

unless exempt by the Acts, the Regulations and directives issued pursuant thereto. The contractor will take action with respect to any subcontract or procurement as the sponsor or the Federal Aviation Administration may direct as a means of enforcing such provisions including sanctions for noncompliance. Provided, that if the contractor becomes involved in, or is threatened with litigation by a subcontractor, or supplier because of such direction, the contractor may request the sponsor to enter into any litigation to protect the interests of the sponsor. In addition, the contractor may request the United States to enter into the litigation to protect the interests of the United States.

## **Title VI List of Pertinent Nondiscrimination Acts and Authorities**

### **Title VI List of Pertinent Nondiscrimination Acts and Authorities**

During the performance of this contract, the contractor, for itself, its assignees, and successors in interest (hereinafter referred to as the "contractor") agrees to comply with the following non-discrimination statutes and authorities; including but not limited to:

- Title VI of the Civil Rights Act of 1964 (42 U.S.C. § 2000d *et seq.*, 78 stat. 252), (prohibits discrimination on the basis of race, color, national origin);
- 49 CFR part 21 (Non-discrimination In Federally-Assisted Programs of The Department of Transportation—Effectuation of Title VI of The Civil Rights Act of 1964);
- The Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, (42 U.S.C. § 4601), (prohibits unfair treatment of persons displaced or whose property has been acquired because of Federal or Federal-aid programs and projects);
- Section 504 of the Rehabilitation Act of 1973, (29 U.S.C. § 794 *et seq.*), as amended, (prohibits discrimination on the basis of disability); and 49 CFR part 27;
- The Age Discrimination Act of 1975, as amended, (42 U.S.C. § 6101 *et seq.*), (prohibits discrimination on the basis of age);
- Airport and Airway Improvement Act of 1982, (49 USC § 471, Section 47123), as amended, (prohibits discrimination based on race, creed, color, national origin, or sex);
- The Civil Rights Restoration Act of 1987, (PL 100-209), (Broadened the scope, coverage and applicability of Title VI of the Civil Rights Act of 1964, The Age Discrimination Act of 1975 and Section 504 of the Rehabilitation Act of 1973, by expanding the definition of the terms "programs or activities" to include all of the programs or activities of the Federal-aid recipients, sub-recipients and contractors, whether such programs or activities are Federally funded or not);
- Titles II and III of the Americans with Disabilities Act of 1990, which prohibit discrimination on the basis of disability in the operation of public entities, public and private transportation systems, places of public accommodation, and certain testing entities (42 U.S.C. §§ 12131 – 12189) as implemented by Department of Transportation regulations at 49 CFR parts 37 and 38;
- The Federal Aviation Administration's Non-discrimination statute (49 U.S.C. § 47123) (prohibits discrimination on the basis of race, color, national origin, and sex);
- Executive Order 12898, Federal Actions to Address Environmental Justice in Minority Populations and Low-Income Populations, which ensures non-discrimination against minority

populations by discouraging programs, policies, and activities with disproportionately high and adverse human health or environmental effects on minority and low-income populations;

- Executive Order 13166, Improving Access to Services for Persons with Limited English Proficiency, and resulting agency guidance, national origin discrimination includes discrimination because of limited English proficiency (LEP). To ensure compliance with Title VI, you must take reasonable steps to ensure that LEP persons have meaningful access to your programs (70 Fed. Reg. at 74087 to 74100);
- Title IX of the Education Amendments of 1972, as amended, which prohibits you from discriminating because of sex in education programs or activities (20 U.S.C. 1681 et seq).

### **FEDERAL FAIR LABOR STANDARDS ACT (FEDERAL MINIMUM WAGE)**

All contracts and subcontracts that result from this solicitation incorporate by reference the provisions of 29 CFR part 201, the Federal Fair Labor Standards Act (FLSA), with the same force and effect as if given in full text. The FLSA sets minimum wage, overtime pay, recordkeeping, and child labor standards for full and part time workers.

The [*contractor* | *consultant*] has full responsibility to monitor compliance to the referenced statute or regulation. The [*contractor* | *consultant*] must address any claims or disputes that arise from this requirement directly with the U.S. Department of Labor – Wage and Hour Division

### **OCCUPATIONAL SAFETY AND HEALTH ACT OF 1970**

All contracts and subcontracts that result from this solicitation incorporate by reference the requirements of 29 CFR Part 1910 with the same force and effect as if given in full text. Contractor must provide a work environment that is free from recognized hazards that may cause death or serious physical harm to the employee. The Contractor retains full responsibility to monitor its compliance and their subcontractor's compliance with the applicable requirements of the Occupational Safety and Health Act of 1970 (20 CFR Part 1910). Contractor must address any claims or disputes that pertain to a referenced requirement directly with the U.S. Department of Labor – Occupational Safety and Health Administration.

### **E-VERIFY**

Enrollment and verification requirements.

- (1) If the Contractor is not enrolled as a Federal Contractor in E-Verify at time of contract award, the Contractor shall-
  - a. Enroll. Enroll as a Federal Contractor in the E-Verify Program within thirty (30) calendar days of contract award;
  - b. Verify all new employees. Within ninety (90) calendar days of enrollment in the E-Verify program, begin to use E-Verify to initiate verification of employment eligibility of all new hires of the Contractor, who are working in the United States,

whether or not assigned to the contract, within three (3) business days after the date of hire (but see paragraph (b)(3) of this section); and,

- c. Verify employees assigned to the contract. For each employee assigned to the contract, initiate verification within ninety (90) calendar days after date of enrollment or within thirty (30) calendar days of the employee's assignment to the contract, whichever date is later (but see paragraph (b)(4) of this section.)

(2) If the Contractor is enrolled as a Federal Contractor in E-Verify at time of contract award, the Contractor shall use E-Verify to initiate verification of employment eligibility of

- a. All new employees.

- i. Enrolled ninety (90) calendar days or more. The Contractor shall initiate verification of all new hires of the Contractor, who are working in the United States, whether or not assigned to the contract, within three (3) business days after the date of hire (but see paragraph (b)(3) of this section); or

- b. Enrolled less than ninety (90) calendar days. Within ninety (90) calendar days after enrollment as a Federal Contractor in E-Verify, the Contractor shall initiate verification of all new hires of the contractor, who are working in the United States, whether or not assigned to the contract, within three (3) business days after the date of hire (but see paragraph (b)(3) of this section); or

- ii. Employees assigned to the contract. For each employee assigned to the contract, the Contractor shall initiate verification within ninety (90) calendar days after date of contract award or within thirty (30) days after assignment to the contract, whichever date is later (but see paragraph (b)(4) of this section.)

(3) If the Contractor is an institution of higher education (as defined at 20 U.S.C. 1001(a)); a State of local government or the government of a Federally recognized Indian tribe, or a surety performing under a takeover agreement entered into with a Federal agency pursuant to a performance bond, the Contractor may choose to verify only employees assigned to the contract, whether existing employees or new hires. The Contractor shall follow the applicable verification requirements of (b)(1) or (b)(2), respectively, except that any requirement for verification of new employees applies only to new employees assigned to the contract.

(4) Option to verify employment eligibility of all employees. The Contractor may elect to verify all existing employees hired after November 6, 1986 (after November 27, 2009, in the Commonwealth of the Northern Mariana Islands), rather than just those employees assigned to the contract. The Contractor shall initiate verification for each existing employee working in the United States who was hired after November 6, 1986 (after November 27, 2009, in the Commonwealth of the Northern Mariana Islands), within one hundred eighty (180) calendar days of-

- i. Enrollment in the E-Verify program; or

- ii. Notification to E-Verify Operations of the Contractor's decision to exercise this option, using the contract information provided in the E-Verify program Memorandum of Understanding (MOU)

(5) The Contractor shall comply, for the period of performance of this contract, with the requirements of the E-Verify program MOU.

- i. The Department of Homeland Security (DHS) or the Social Security Administration (SSA) may terminate the Contractor's MOU and deny access to the E-Verify system in accordance with the terms of the MOU. In such case, the Contractor, will be referred to a suspension or debarment official.

- ii. During the period between termination of the MOU and a decision by the suspension or debarment official whether to suspend or debar, the contractor is excused from its obligations under paragraph (b) of this clause. If the suspension or debarment official determines not to suspend or debar the Contractor, then the Contractor must reenroll in E-Verify.

- iii. Web site. Information on registration for and use of the E-Verify program can be obtained via the Internet at the Department of Homeland Security Web site: <http://www.dhs.gov/E-Verify>.

Individuals previously verified. The Contractor is not required by this clause to perform additional employment verification using E-Verify for any employee-

- (a) Whose employment eligibility was previously verified by the Contractor through the E-Verify program;
- (b) Who has been granted and holds an active U.S. Government security clearance for access to confidential, secret, or top secret information in accordance with the National Industrial Security Program Operating Manual; or
- (c) Who has undergone a completed background investigation and been issued credentials pursuant to Homeland Security Presidential Directive (HSPD)-12. Policy for a Common Identification Standard for Federal Employees and Contractors.

Subcontracts. The Contractor shall include the requirements of this clause, including this paragraph € (appropriately modified for identification of the parties in each subcontract that-

- (1) Is for-(i) Commercial and noncommercial services (except for commercial services that are part of the purchase of a COTS item (or an item that would be a COTS item, but for minor modifications), performed by the COTS provider, and are normally provided for that COTS item); or
  - (ii) Construction;
- (2) Has a value of more than \$3,500; and
- (3) Includes work performed in the United States.

# Okaloosa County

Proposal for Actuarial Valuation Services

RFP # RM 09-18

May 7, 2018

**ORIGINAL**

Gabriel, Roeder, Smith & Company  
1 E Broward Blvd, Suite 505  
Ft. Lauderdale, FL 33301  
Telephone number: 954-527-1616





ORIGINAL

May 7, 2018

Mr. Jeffrey Hyde  
Purchasing Manager  
Okaloosa County Purchasing Department  
5479 A Old Bethel Road  
Crestview, FL 32536

**RE: Request for Proposal for Actuarial Valuation Services  
RFP# RM 09-18**

Dear Mr. Hyde:

We are pleased to have the opportunity to submit a proposal for professional actuarial valuation services to Okaloosa County. The attached proposal sets forth our understanding of the work to be performed and the overall qualifications and capabilities of the **GRS Team** of actuaries and consultants along with resources of Gabriel, Roeder, Smith and Company (GRS).

GRS offers the County a professional actuarial and consulting firm, uniquely specializing in public sector pension and OPEB programs, with a nationally recognized reputation; an excellent research center focused on public employer retirement issues; a clear understanding of local political, state, national and legislative environments and processes. Our proposed client service team is highly capable and experienced with Florida Retirement Funds and other public sector benefit programs.

***We believe there are five key qualification areas the Board will want to look for in a professional actuarial and consulting firm. Our proposal demonstrates GRS' qualifications in these areas:***

1. ***Your consultants.*** A high profile county such as Okaloosa should expect the best actuaries and analysts available. The GRS service teams for Okaloosa County include three consultant-level actuaries, each with substantial experience in public sector OPEB programs. Two of those actuaries are nationally recognized experts in the field involved in development of actuarial and accounting standards governing OPEB valuations. You will find them unparalleled in experience and expertise, with sensitivity to the fiscal responsibility the County has to plan members and taxpayers. Our consultants distinguish GRS from other firms.
2. ***Stability and growth.*** GRS has always been owned by its employees. Decades of "ownership stability" translates to stability in client services. We have had negligible turnover among consultants and senior consultants, with the exception of retirements. GRS's client retention demonstrates a loyal following and our growth has been steady and constant. Stability and growth in your plan's actuarial firm is a distinct benefit to the County.

3. ***Florida experience.*** GRS and its predecessor have been active in the Florida public sector since the 1950s. We consider it essential that Florida counties have an actuarial firm with significant Florida experience. We know most of the law firms, auditors, investment consultants, administrators and actuaries who operate in the Florida pension and OPEB space. We know the statutes and regulations; we know the regulatory staff and many of the legislators; and we know finance directors and benefit managers all across the state. This boots-on-the-ground experience dramatically enhances the service we provide to our clients.
4. ***Quality, integrity and professionalism.*** A high-profile County such as Okaloosa should expect a firm of higher-than-average quality, integrity and professionalism. No firm is better-equipped to advise the County concerning OPEB standards and actuarial standards than GRS. Numerous national, state and local trade organizations routinely ask GRS to serve on their committees, speak at their conferences and write articles for their publications; this speaks to the respect from peers for GRS's quality and professionalism.
5. ***Size and focus of our firm.*** GRS has 61 credentialed actuaries, all of whom specialize in and serve the public sector. Of these, 16 are based in our Florida office. Nationally, we have a research department, a top-rated law firm specializing in public sector benefits on retainer, firm-wide internal Expert Committees for GASB, OPEB and other relevant issues, monthly conference calls for consultants addressing various hot topics, and an annual conference for all consultants and credentialed actuaries.

This depth ensures that ideas and trends seen elsewhere in the country filter out to all regions so that all of our clients benefit from the knowledge and experience of GRS consultants practicing across the country. With more public sector actuaries and consultants than any other firm, GRS has more depth and bench-strength for the benefit of our clients.

GRS is committed to perform the specified services in a timely and efficient manner -- within the time periods specified in the RFP. The primary contact and address of the office conducting the services are:

Nicolas Lahaye, FSA, MAAA, EA, FCA  
[Nicolas.Lahaye@grsconsulting.com](mailto:Nicolas.Lahaye@grsconsulting.com)  
[www.grsconsulting.com](http://www.grsconsulting.com)

Gabriel, Roeder, Smith & Company  
One East Broward Boulevard, Suite 505  
Fort Lauderdale, Florida 33301  
(954) 527-1616



Mr. Jeffrey Hyde  
May 7, 2018  
Page iii

Thank you for considering GRS for this important assignment. We look forward to further discussion and to the opportunity to continue our partnership with you in the years ahead.

Respectfully submitted,



Theora Braccialarghe  
*Authorized Representative*

ORIGINAL



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**2. A general description of the Respondent's business, including size, number of employees, number of credentialed actuaries, primary business, and other business or services offered. In addition, the Respondent must describe any past or completed changes in the ownership structure.**

## **BUSINESS OF THE FIRM**

Gabriel, Roeder, Smith & Company was incorporated on October 2, 1962 from a merger of A. G. Gabriel & Company, a sole proprietorship that was established in 1938, and another younger sole proprietorship, Roeder & Company. In 1995, the company merged with Kruse, O'Connor & Ling, a Florida based consulting firm.

In 2015, the company formed a health & welfare consulting subsidiary, Gabriel, Roeder, Smith & Company Health and Welfare Consulting, LLC from its existing health and welfare practice. For administrative and operating efficiency, both Gabriel, Roeder, Smith & Company and Gabriel, Roeder, Smith & Company Health and Welfare Consulting, LLC are now wholly owned subsidiaries of Gabriel, Roeder, Smith & Company Holdings, Inc., a private Michigan corporation.

GRS is a national actuarial and benefits consulting firm focused on services for the public sector. Our public sector work is not confined to a small specialty unit in a larger diverse organization. Providing professional actuarial and consulting services for public sector entities is essentially all we do.

This distinguishes GRS from other national firms whose public sector actuarial practice is a smaller unit amongst a large diverse organization. We do not have a parent organization that focuses on other unrelated business lines. Our entire firm is dedicated to governmental actuarial and benefits consulting. This single-mindedness ensures the resources needed for state of the art public sector services are not crowded out by other corporate interests.

Our reputation for providing independent advice and quality consulting services has remained unmatched for more than 75 years. Our actuarial experience, technology solutions and nationally recognized research, help our clients develop fiscally sustainable programs and preserve financial security for millions of Americans.

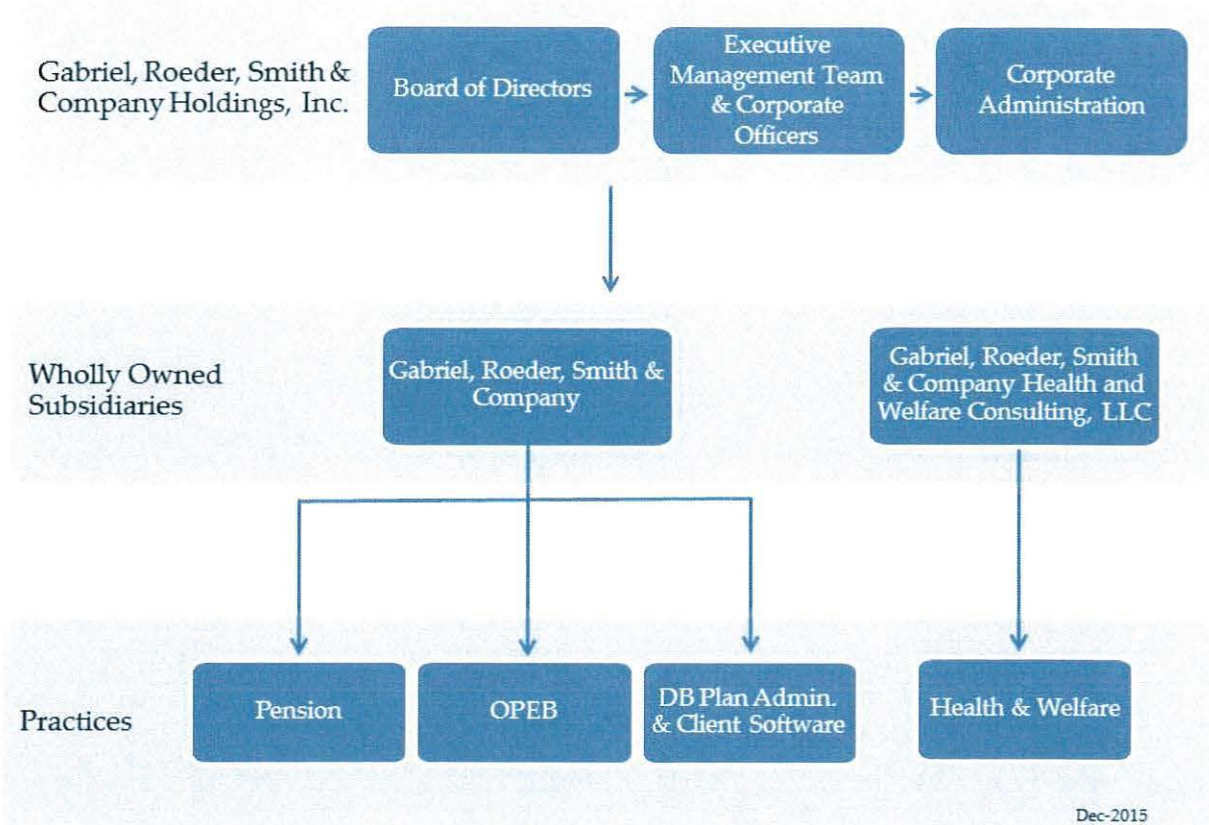
Entities that have an ownership stake in GRS:

- GRS Employees, as individuals, and
- GRS Employee Stock Ownership Plan, with pass-through voting rights to employees

No single shareholder owns more than 6% of the firm. The owners of GRS understand our business, because we own ourselves. This is not always true of actuarial service providers. We are employees, and we are owners. Broad employee ownership (as opposed to ownership concentrated by one or a few employees or distant ownership) infuses a greater sense of mission among all of us to serve our clients.

GRS has not been bought and sold over the years. We have always been an employee-owned organization (since 1938). Our Senior Consultants have unmatched loyalty and tenure with GRS with very little turnover (except for retirements), with a continual flow of new Consulting-level talent joining GRS due to our growth nationally. *This brings stability of service to our clients.*

# GRS Organizational Chart



Dec-2015

## GRS' FULLY-STAFFED OFFICES

GRS Holdings and its wholly owned subsidiaries have 135 employees of which approximately 95 are actuarial staff. GRS employs 61 credentialed actuaries who work exclusively in the areas of public sector pension, health, and OPEB programs. All of our employees are involved in serving public sector agencies, from consultants to administrative staff. The firm is composed of about 15 separate teams each of which is responsible for servicing specific clients or for providing a specific type of service.

GRS will service your plan through a fully-staffed office. Fully-staffed Ft. Lauderdale GRS office has 37 full time employees, including 16 credential actuaries. In addition, each fully-staffed office has technology resources (network servers, computer equipment, and actuarial and business software) that allow it to operate independent of any other office.

The Fort Lauderdale Office of GRS has cooperating teams providing consulting services. The Team assigned to the Okaloosa County has four credentialed and experienced actuaries to manage the component projects, plus other staff to perform various data preparation, computer modeling, and claim cost analysis. In addition, both corporate and local programming and computer specialists will provide whatever additional technical support is needed. Furthermore, we operate in a cooperative fashion with the other GRS offices, providing an ongoing source of the latest ideas and solutions to client issues.

Your GRS team routinely provides consultation to clients using all of the methods expected by the County. From our other client relationships, we understand the proactive measures that must be maintained to provide the services required. We will be readily accessible to the County.

The Okaloosa County will have an important position as a GRS client; your telephone calls will always be returned. Of course, all team members can be reached by phone and email. In fact, many of our clients have our cell phone numbers. We are happy to provide these to the County, upon request.

Of course, new communication technologies have improved the ability of firms to provide better client service. GRS utilizes all of the new communication methods available—web meetings and video conferencing, along with email, voicemail, and cell phones—to serve clients and communicate across our firm. But we do not rely solely on these technologies to operate our company. We think of these technologies as a complement to our fully-staffed office structure.

**3. A description of the Respondent's qualifications and experience and that of the key personnel assigned to this project. The Respondent must provide all require equipment, material, and staff. [NOTE: If the Respondent is a team, the qualifications and experience of all key personnel must be included for each team member.]**

## RELEVANT PUBLIC SECTOR EXPERIENCE

GRS has provided actuarial and benefit consulting services to public sector benefit plans for over 75 years. We provide actuarial and consulting services which encourage sound financing, sensible benefit design, efficient administration and effective communication in employee benefit plans. GRS is unique and stands out in the industry because of the following attributes.

- ✓ GRS provides actuarial and benefit consulting services to more than 800 public sector clients in 42 states.
- ✓ The majority of GRS client relationships span decades.
- ✓ Nearly 100% of our revenue is attributable to providing professional actuarial and related consulting services to public sector clients.
- ✓ Our services are provided on a fee-for-service basis only. We sell no insurance, investment or other products — our consulting is provided solely in the best interests of our clients.
- ✓ We currently serve as actuary to 35 State or Statewide Retirement systems and OPEB Plans covering a total of over 5 million participants. Most GRS clients have multiple benefit structures. In many cases, different groups of employees are subject to different benefit provisions frequently as a result of different collective bargaining agreements.
- ✓ Our valuation software is written and maintained exclusively for public sector benefit plans.
- ✓ GRS' research group is focused on issues of importance to public sector benefit plans -- all of our analysis is focused on the impact on our client's plans.
- ✓ We have over 60 credentialed actuaries with an average of 10 years of public sector experience. Many of our actuaries have served public sector benefit plans for over 20 years - some for over 40 years.
- ✓ GRS has more consulting actuaries solely dedicated to providing quality professional actuarial consulting services to the public sector than any other firm in the nation.

## OPEB EXPERIENCE

### Our Work

GRS has provided retiree health valuations for nearly 40 years—well before GASB Statements No. 43 and No. 45 were approved in 2004. Our OPEB client base is made up of state and local programs.

- ✓ For our state (including state retirement systems) and large local clients (such as counties and large metropolitan cities), GRS typically provides valuation analysis, plan design, experience studies, and projections.



- ✓ Most of our small local clients (such public authorities, townships, and small cities) require a GASB 75 valuation for accounting purposes. But even in this market, we have helped clients mitigate the growth in liabilities by providing guidance on benefit design.

We have provided a sample list of OPEB clients in Appendix A

### **Our Involvement in OPEB**

What makes GRS different from other OPEB consulting providers is our depth of experience with the topic, work, and understanding of the public sector. As a result of our vast, long-standing experience and public-sector dedication, we have developed techniques and software to ensure that the valuation will be an accurate reflection of the funding objectives and the accounting measures for your plan.

Since 2000, GRS has provided technical assistance and advice to the GASB with regard to its initial OPEB project. GRS provided information and resources to GASB while the GASB's Task Force was developing the GASB Statements No. 43 and No. 45. When GASB Statements No. 74 and No. 75 were proposed, we provided similar support.

In addition to client work and support for the GASB, our consultants have been active in educating plan sponsors and participants about the GASB standards and their implications through presentations, briefing papers and articles in newsletters and other publications.

GRS consultants have given presentations on OPEB benefits for the National Association of State Auditors, Comptrollers and Treasurers (NASACT), the Government Finance Officers Association (GFOA), the Government Finance Officers Association (GFOA), State & Local Government Benefits Association (SALGBA) and many local organizations like Florida School Finance Officers Association (FSFOA) and Florida Government Finance Officers Association (FGFOA) and its chapters.

### **Experts in the New Accounting Standards**

The new accounting standards, GASB Statements No. 74 and No. 75, became effective for fiscal years commencing after June 15, 2016 and require a firm with solid experience helping governments transition from one accounting standard to the next. Jim Rizzo is a nationally recognized expert in GASB Standards as well as Actuarial Standards of Practice applicable to pensions and OPEB.

Our ability to help governments transition to the new standards is evidenced by our experience on the pension side with GASB Statements No. 67 and No. 68. GRS successfully implemented the new pension standards for its clients, and has already prepared the model reports and work schedules for the new standards. This is relevant because the changes for OPEB, in large part, mirror the changes already made to the pension standards. Because of our experience, we are likely the only company able to help you transition efficiently towards the new standard.

The new accounting standards, GASB Statements No. 74 and No. 75, will shine an even brighter light on the liabilities of the OPEB promise. GASB Statement No. 75 will require balance sheet recognition of a liability similar to the unfunded actuarial accrued liability under GASB No. 45. In addition, four sensitivity scenarios will be required in order to show the sensitivity of the liabilities to changes in the discount rate as well and changes in the medical trend rate.

GRS has a dedicated GASB committee which has just finished the first round of plan and employer accounting for the new pension standards. The changes to the OPEB standards are very similar to the changes that occurred in the pension standards and GRS has learned that the factors that contribute the greatest to a successful conversion to the new standards are:

1. Develop a dialogue early in the process between the actuaries and the auditors. This dialogue can be an outline of who will be providing what information, and the timeline for that information to be delivered.
2. Create a work plan for when decisions are needed. For example, if the employer needs to find out how the proportionate share of liabilities and expenses will be handled, commit in writing the decision that is needed and the timing for the decision.
3. Create a deadline plan from inception to the receipt of all information needed for the financial statements. The deadline plan will provide clarity on the type of valuation required and the timing for the valuations (whether it is a full valuation, a roll-forward from a prior year or a one-year lag for employer reporting).
4. The team may wish to review first year and prior period adjustments.
5. Get buy in from the actuaries and the auditors on the entire process, early in the process. This may include a preview of dates (i.e. measurement date, valuation date), assumptions, methods (including valuation timing and roll-forward timing), data and the deliverables.

GRS has no weaknesses with respect to providing professional public sector pension actuarial and consulting services. In the unlikely event our clients request services we do not provide, we partner with a firm that can bring that specialized set of services or skills. As the public sector leader for benefit actuarial and consulting services, we have all of the specialized skills, knowledge and expertise to serve your Fund and do not need to subcontract for any anticipated services.

For the many reasons highlighted above, we are confident that GRS is the most capable firm to assist you in evaluating and managing your OPEB benefits.

## **GRS OPEB RESOURCES AND EXPERIENCE**

GRS has developed resources and services to respond to health care plan sponsors' needs in the areas of GASB No. 74 and No. 75 compliance, OPEB funding, health care cost management, and benefit design.

- ✓ We have assigned Mr. James J. Rizzo to serve as your Primary OPEB Actuary. He has a national reputation in this field, and there are few other actuaries with comparable knowledge and experience. The County can have real confidence that our work product and advice is reliable.
- ✓ Our Fort Lauderdale office currently serves more than 100 OPEB clients in Florida. Refer to Appendix A for a list of clients served by the Fort Lauderdale office.

- ✓ Complementing our Florida OPEB work experience, GRS also serves as consulting actuary for more governmental pension actuarial work nationally than any other firm.
- ✓ GRS actuaries are prominently involved in national and state trade organizations, serving on committees, speaking, and authoring articles. These organizations, including actuarial organizations such as the Conference of Consulting Actuaries (CCA), the American Academy of Actuaries (AAA) and the Society of Actuaries (SOA).
- ✓ The entire OPEB project is expected to be performed in our Fort Lauderdale Office.
- ✓ Because GRS does OPEB work nationally, our teams can implement national trends at a local level.
- ✓ GRS has health care actuaries, health care actuarial analysts, and health care consultants who analyze OPEB benefits promised, health care claims experience, and health care trend assumptions. This in-depth analysis validates the premium rates used in the valuation. Rates are critical components in projecting OPEB liabilities. Our expertise in this area ensures that premium rates and the underlying health care assumptions are reasonable.
- ✓ GRS has actuaries and consultants with many years of experience developing long-term actuarial projections. They are experts in analyzing eligibility requirements, pre-funding arrangements, cost-sharing arrangements, and actuarial assumptions, which impact the direction and size of actuarial liabilities, the expense, and Net OPEB Liability.
- ✓ GRS has an internal quality control and peer review process for all its valuations. This ensures that our work meets actuarial standards of practice and professionalism.
- ✓ Several of our consulting actuaries have participated in following and influencing the Governmental Accounting Standards Board's (GASB) in their work on OPEB standards, implementation guide questions and technical bulletins.
- ✓ Similarly, several GRS consulting actuaries provided much needed input to the GASB as they deliberated and adopted the new pension accounting standards, Statement Nos. 67, 68, 74 and 75, including serving on the GASB-appointed Task Force for the Statement No. 67 Comprehensive Implementation Guide. *These positions should provide the County with the highest level of assurance that OPEB services from GRS comply with all aspects of the accounting standards.*
- ✓ GRS serves as OPEB actuary for numerous statewide plans, including the State of California, Tennessee, Texas Teachers, State of Illinois, State of Louisiana Legislative Auditor, State of South Carolina and other statewide programs. *The County will benefit from the outstanding experience of GRS consulting actuaries among large complex OPEB programs.*
- ✓ GRS has an internal OPEB Committee comprised of the most experienced OPEB actuaries in the firm. This internal expert committee serves as a research, policy and standards group providing resources to all GRS OPEB actuaries. This encourages a free flow of information, techniques, trends and examples of circumstances from around the country. *Okaloosa County will benefit from this breadth of experience-sharing within GRS.*
- ✓ GRS has consulting actuaries who serve on two national committee of the Actuarial Standards Board which are relevant to this engagement: (a) the Pension Committee and (b) the Retiree Group Benefits Committee. *The County will benefit from the outstanding*

*expertise of GRS consulting actuaries with a nationally-recognized reputation and with positions of influence at the highest levels of the actuarial profession.*

## THE GRS TEAMS FOR THE OKALOOSA COUNTY

The following is the GRS OPEB Team. Members of the OPEB team will be working from our Ft. Lauderdale office:

1 E Broward Blvd., Suite 505  
Ft. Lauderdale, FL 33301  
Phone: 954-527-1616

### **Lead Consultant and Resource Actuary:**

James J. Rizzo, ASA, FCA, MAAA, EA  
[Jim.Rizzo@grsconsulting.com](mailto:Jim.Rizzo@grsconsulting.com)

### **Managing Consultant and Actuary (Alternate Lead):**

Nicolas Lahaye, FSA, MAAA, EA  
[Nicolas.Lahaye@grsconsulting.com](mailto:Nicolas.Lahaye@grsconsulting.com)

### **Support Consultant and Actuary:**

Piotr Krekora, PhD, ASA, MAAA  
[Piotr.Krekora@grsconsulting.com](mailto:Piotr.Krekora@grsconsulting.com)

### **Senior Actuarial Analyst:**

Travis Robinson, FSA, MAAA, EA  
[Travis.Robinson@grsconsulting.com](mailto:Travis.Robinson@grsconsulting.com)

**James J. Rizzo** will serve as the Lead Consultant and Actuary assigned to Okaloosa County. Mr. Rizzo is an Associate of the Society of Actuaries (ASA) and Member of its Investment, Pension, and Health sections; a Member of the American Academy of Actuaries (MAAA); an Enrolled Actuary under ERISA (EA); and a Fellow of the Conference of Consulting Actuaries (FCA). He serves on various national committees, including as an advisor to GASB itself. Mr. Rizzo has over 40 years of experience in all aspects of public and private sector pension, health, and OPEB plan operations, including consulting to school districts, pension boards, cities, counties, hospitals, and utilities.

Mr. Rizzo has more than 30 years' experience with the type of service requested by the County. During GASB's development of Statement No. 45 (from 2001 through 2004), Mr. Rizzo served on the Advisory Committee which assisted GASB Staff in drafting the first Implementation Guide Questions and Answers for Statements No. 43 and 45. He is currently on GASB's Task Force to assist its Staff in re-writing GASB 45 for the new OPEB standard (GASB 75). He also currently serves on the Actuarial Standards Board committee for re-writing Actuarial Standard of Practice (ASOP) No. 6, which governs how actuaries are to perform OPEB valuations.

Mr. Rizzo has been responsible for several hundred Actuarial Valuation Reports pursuant to GASB Statement No. 45. He has a national reputation as an OPEB expert, writing and speaking on the topic for various state and national organizations. But his expertise extends beyond the basic actuarial valuation of pension, health, and OPEB plans to consulting, assisting with collective bargaining issues, long-range planning, actuarial implications of investment decisions, and pension and OPEB cost-containment strategies. *We are confident that when Mr. Rizzo's experience and knowledge regarding Pension/OPEB consulting for governmental plans is compared with that of actuaries from competing firms, he will clearly be deemed the most qualified to provide the Okaloosa County with OPEB consulting services.*

**Nicolas Lahaye** will serve as the Managing Consultant and Actuary for Okaloosa County. Nic is a Consultant with over 15 years of professional actuarial experience. He has been involved in the preparation of numerous OPEB actuarial valuations, OPEB studies, cost analyses of proposed plan changes, population projections, etc.

Nic is a seasoned pension and OPEB consulting actuary, including responsibility for pension and OPEB valuations required for governmental entities and for private sector entities. He currently manages several municipal and county pension and OPEB clients providing them with retainer services and ad-hoc advice. Nic has seen just about every type of pension plan and OPEB provision imaginable, and adheres to the highest quality standards so that clients and their auditors can have confidence in the measurement of the OPEB program's costs and liabilities.

Nic is a Fellow of the Society of Actuaries (FSA), a Member of the American Academy of Actuaries (MAAA), an Enrolled Actuary (EA), and a Fellow of the Conference of Consulting Actuaries (FCA). He holds a Bachelor of Actuarial Sciences from Laval University (Quebec).

**Piotr Krekora** will serve as the Peer Review Consulting Actuary for the County. Dr. Krekora is a Consultant and has been with GRS for over 10 years. Piotr has extensive OPEB experience including routine valuations as well as assistance with plan design and pension reform efforts.

Dr. Krekora recently chaired a committee submitting comments on behalf of the American Academy of Actuaries to GASB's Exposure Draft for the Statement 74 Implementation Guide. Piotr has spoken at an annual conference sponsored by the State of Florida Division of Retirement, NCPERS, Conference of Consulting Actuaries, Florida GFOA and the Florida School Officers Association.

He is currently responsible for directing an internal team of actuarial analysts and other credentialed actuaries and serves as Managing Actuary and reviewer of these valuations. He is also an experienced pension actuary.

Piotr is an Associate of the Society of Actuaries (ASA), a Fellow of the Conference of Consulting Actuaries (FCA), a Member of the American Academy of Actuaries (MAAA), an Enrolled Actuary (EA), and holds a Ph.D. in theoretical and computational physics. He serves on the Society of Actuaries' Social Insurance and Public Finance Council and the American Academy of Actuaries Retiree Benefits Subcommittee.

## James J. Rizzo, ASA, EA, FCA, MAAA

Senior Consultant

[jim.rizzo@grsconsulting.com](mailto:jim.rizzo@grsconsulting.com)



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### Expertise

James Rizzo is a Senior Consultant in GRS' Fort Lauderdale, Florida office. He has more than 35 years of public sector actuarial and consulting experience. Jim provides actuarial and consulting services to public sector retirements systems and OPEB plans. He has served public sector clients in Florida, Georgia, Louisiana, South Carolina, and Tennessee.

Jim is an expert in all aspects of public sector pension and retiree health plan design and operations, including investments, administration, systems, communications, regulatory compliance, actuarial, and plan design. His focus is preparing, supervising, and presenting actuarial valuations, calculating projections, and conducting plan redesign studies. Jim has extensive experience analyzing the actuarial impact of investment decisions and helping clients with risk management.

### Professional Designations

- Associate, Society of Actuaries
- Enrolled Actuary
- Fellow, Conference of Consulting Actuaries
- Member, American Academy of Actuaries

### Professional Affiliations

- Actuarial: American Academy of Actuaries' Pension Accounting Committee, Public Plans Subcommittee and Retiree Health Committee; Conference of Consulting Actuaries' Public Plans Community Steering Committee; Actuarial Standards Board, Retiree Group Benefits Subcommittee on Actuarial Standards of Practice (ASOPs)
- Accounting: Governmental Accounting Standards Board's task forces on the Standards and Implementation Guides for OPEB and Advisory Education to Board and Staff on Pension Standards.

### Presentations and Publications

Jim is a frequent speaker at conferences for the Government Finance Officers Association (GFOA), Florida Government Finance Officers Association (FGFOA), Conference of Consulting Actuaries (CCA), American Academy of Actuaries (AAA) and other organizations. He has authored articles for *Contingencies*, *Government Finance Review* and other publications and co-authored the paper, "Revisiting Pension Actuarial Science – A Five-Part Series", published by the Society of Actuaries.

### Education

Bachelor of Arts, Mathematics (with honors), University of South Florida  
Actuarial Course Studies, Georgia State University

## Nicolas Lahaye, FSA, EA, FCA, MAAA

Consultant

[nicolas.lahaye@grsconsulting.com](mailto:nicolas.lahaye@grsconsulting.com)



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### Expertise

Nicolas Lahaye is a Consultant in GRS' Fort Lauderdale, Florida office. He has more than 15 years of actuarial and benefits consulting experience. Nicolas provides actuarial and consulting services to both public and private sector employee retirements systems and OPEB plans.

Nicolas's work for his clients includes preparation, supervision, and presentation of actuarial valuations and GASB/FASB accounting disclosures, benefit redesign studies, experience studies, and cash flow projections. He also has significant experience performing modeling studies, including asset/liability studies using deterministic and stochastic approaches.

Nicolas has worked for both public sector and middle market private-sector plans. His pension plan experience includes defined benefit plans and hybrid arrangements, covering plan design features such as final average pay, career average pay, target benefit, and early retirement windows. He also has working knowledge of Florida Statutes, governing operations of municipal pension plans, and group insurance plans offered by public sector employees.

### Professional Designations

- Fellow, Society of Actuaries
- Enrolled Actuary
- Fellow, Conference of Consulting Actuaries
- Member, American Academy of Actuaries

### Education

Bachelor of Actuarial Sciences, Laval University, Quebec, Canada

## Piotr Krekora, ASA, EA, FCA, MAAA, PhD

Consultant

[piotr.krekora@grsconsulting.com](mailto:piotr.krekora@grsconsulting.com)



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### Expertise

Piotr Krekora is a Consultant in GRS' Fort Lauderdale, Florida office. Piotr has more than 10 years of actuarial and consulting experience.

Piotr's actuarial expertise covers all aspects of public sector pension and retiree health plan design and operation, including pension and OPEB valuations, pension and retiree health care studies, cost analyses of proposed plan changes, liability and contribution projections, and asset simulation and cash flow studies.

Additionally, Piotr is experienced in designing and implementing cash balance plans as well as other alternative designs. He has a working knowledge of Florida Statutes governing operations of municipal pension plans, and group insurance plans offered by public sector employees.

### Professional Designations

- Associate, Society of Actuaries
- Enrolled Actuary, ERISA
- Fellow, Conference of Consulting Actuaries
- Member, American Academy of Actuaries

### Professional Affiliations

- American Academy of Actuaries (AAA): Piotr serves on the Retiree Benefits Subcommittee of the Academy's Health Practice Council.
- Society of Actuaries: Piotr serves as a vice-chair of a Social Insurance and Public Funding Council where he serves as a Secretary.
- Conference of Consulting Actuaries (CCA)

### Presentations & Publications

Piotr's speaking engagements include national meetings of actuarial organizations and public sector and other employee benefits associations such as the Conference of Consulting Actuaries (CCA), the National Conference of Public Employee Retirement Systems (NCPERS), the Florida GFOA and Florida School Finance Association. He also co-authored the paper *Revisiting Pension Actuarial Science-A Five Part Series*, by Rizzo, Ostaszewski, and Krekora published by the Society of Actuaries in 2009.

### Education

Ph.D., Physics, Polish Academy of Sciences



## Travis Robinson, ASA, EA, MAAA

Senior Analyst

[travis.robinson@grsconsulting.com](mailto:travis.robinson@grsconsulting.com)



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### Expertise

Travis Robinson is a senior analyst in GRS' Fort Lauderdale, Florida office. He has more than 8 years of experience performing actuarial valuations and consulting.

Travis' responsibilities include, actuarial valuations, retiree health care valuations, experience studies, funding projections, and benefit statements.

### Professional Designations

- Associate of the Society of Actuaries
- Enrolled Actuary, (ERISA)
- Member, American Academy of Actuaries

### Education

Bachelor of Arts, Finance, University of Illinois

**4. A description of previous projects that the Respondent has conducted for organizations of similar size and complexity in the FRS. Provide contact names and telephone numbers for references within those organizations who can address past performance. [NOTE: If the Respondent is a team, the same information must be included for each team member.]**

We have been preparing actuarial valuations of postemployment benefits other than pensions (OPEBs) in compliance with GASB since GASB 45 was instigated in 2004, and have been recognized as experts in GASB 74 and 75 since they were proposed.

All members of our OPEB team for the County were involved in the projects mentioned below. Please note that some of the organizations provided below are larger in size than Okaloosa County. However, they are similar in complexity and provide good comparisons for the work requested by the County.

Reference:	<b>Lee County Sheriff's Office, Florida</b>	
Description of the Services:	GASB 45 OPEB Actuarial Valuations in prior years. We also prepared the GASB 75 OPEB Actuarial Valuation for FYE 2018 earlier this year.	
Key Contact:	<i>Name:</i>	Ms. Dawn Heikkila, Director of Human Resources
	<i>Address:</i>	14750 Six Mile Cypress Parkway Fort Myers, FL 33912
	<i>E-mail address:</i>	<a href="mailto:dheikkila@sheriffleefl.org">dheikkila@sheriffleefl.org</a>
	<i>Telephone number:</i>	(239) 258-3271

Reference:	<b>Indian River County, Florida</b>	
Description of the Services:	GASB 45 OPEB Actuarial Valuations for reporting and funding in prior years. A GASB 74 OPEB report for FYE 2017 was prepared earlier this year and a GASB 75 OPEB Actuarial Valuation report will be prepared for FYE 2018.	
Key Contact:	<i>Name:</i>	Ms. Elissa Nagy, CPA, CGFO, Finance Director
	<i>Address:</i>	1840 25 <sup>th</sup> Street Lewis Speedway Vero Beach, FL 32960
	<i>E-mail address:</i>	<a href="mailto:enagy@clerk.indian-river.org">enagy@clerk.indian-river.org</a>
	<i>Telephone number:</i>	(772) 226-1570

Reference:	<b>St. Johns County, Florida</b>	
Description of the Services:	GASB 45 OPEB Actuarial Valuations for reporting and funding in prior years. A GASB 74 OPEB report for FYE 2017 was prepared earlier this year and a GASB 75 OPEB Actuarial Valuation report will be prepared for FYE 2018.	
Key Contact:	<i>Name:</i>	Mr. Allen McDonald, Chief Financial Director
	<i>Address:</i>	4010 Lewis Speedway St. Augustine, FL 32084
	<i>E-mail address:</i>	<a href="mailto:fincoc@sjccoc.us">fincoc@sjccoc.us</a>
	<i>Telephone number:</i>	(904) 819-3669

Reference: **Okaloosa County Sheriff's Office, Florida**  
Description of the Services: GASB 45 OPEB Actuarial Valuations in prior years. We will prepare a GASB 75 OPEB Actuarial Valuation for FYE 2018.  
Key Contact: *Name:* Mr. Douglas Gaylord, Chief Financial Officer  
*Address:* 50 2<sup>nd</sup> Street  
Shalimar, FL 3257  
*E-mail address:* [dgaylord@sheriff-okaloosa.org](mailto:dgaylord@sheriff-okaloosa.org)  
*Telephone number:* (850) 651-7410

Reference: **Hernando County, Florida**  
Description of the Services: GASB 45 OPEB Actuarial Valuations in prior years. We will prepare a GASB 75 OPEB Actuarial Valuation for FYE 2018.  
Key Contact: *Name:* Ms. Mary Spencer, Benefits Coordinator  
*Address:* 20 N. main Street, Room 264  
Brooksville, FL 34601  
*E-mail address:* [MSpencer@hernandocounty.us](mailto:MSpencer@hernandocounty.us)  
*Telephone number:* (352) 540-6643

Reference: **Nassau County, Florida**  
Description of the Services: GASB 45 OPEB Actuarial Valuations in prior years. We will prepare a GASB 75 OPEB Actuarial Valuation for FYE 2018.  
Key Contact: *Name:* Mr. Robert Crawford, Accounting Manager  
*Address:* 76347 Veteran's Way  
Yulee, FL 32907  
*E-mail address:* [rcrawford@nassauclerk.com](mailto:rcrawford@nassauclerk.com)  
*Telephone number:* (904) 548-4807

**5. A project approach & work plan, identifying the beginning and ending dates, as well as the target dates for all planned, interim milestones, if any.**

## **GRS APPROACH**

1. Our approach to providing OPEB actuarial services is:
  - Discern the County's needs and objectives
  - Advise the County concerning the options available to satisfy the client's needs and objectives
  - Recommend assumptions and methods that are reasonable and maintain compliance with Actuarial Standards of Practice and Governmental Accounting Standards
  - Design reports that are understandable and decision-useful for the stated purpose, and that document all significant and relevant assumptions and methods
  - Submit draft reports to the County for review prior to issuance of final reports
  - Explain the results, assumptions and methods to auditors as needed
  
2. GRS has strict quality control procedures to ensure that our clients receive reliable reports. All actuarial valuation reports and studies must have a doer, a checker, a reviewing Actuary, and a Peer Review Actuary—and must have detailed checklists (work papers) completed. We believe our considered approach gives our clients a high level of confidence in our final work products.
  
3. We are readily available, by telephone or in person, on very short notice. In the unlikely event that one of your primary actuaries and consultants is unavailable, the depth of our staff provides that an experienced back-up is always available.

## **PROPOSED SCHEDULE**

Having completed hundreds of OPEB actuarial valuations under GASB 43/45 and dozens under GASB 74/75, we have a well-established plan for the process.

Prior to completing Phase 1, the process starts with a detailed conference call including the Benefits Manager and a member of the Financial Reporting department, resulting in a detailed Data Request Letter to the client. *We would like to have the conference call as soon as feasibly possible.*

The completion of Phases 1 through 3 (below) depends on the response time and scheduling of the County and its vendors. The County will be required to collect data from various sources, such as pension administrators or actuaries and insurance vendors. This process usually takes our clients up to eight (8) weeks. *We would like to receive the requested data from the County no later than September 15<sup>th</sup>.* Since we plan to send the data request shortly after the initial conference call, we believe the County will be able to provide the requested information by that date (and possibly sooner).

In addition, we anticipate that Phases 4 through 7 (which are generally under our control) would be completed within 4 weeks once we have all the data collected and verified for completeness and accuracy. *The draft valuation report will be completed by October 20<sup>th</sup>.*

A final report will follow a few days after the County agrees to the draft report and any requested changes. *That will allow enough time to provide the final report no later than November 1<sup>st</sup>.*

ACTIVITY	TASKS
<b>PHASE 1:</b> Draft and Approve Substantive Plan Provisions	Prepare a draft summary of substantive plan provisions. <b>County reviews the document and provides.</b>
<b>PHASE 2:</b> Collect Employee and Retiree Census Data	Prepare a complete and detailed Data Request Letter, including templates for use in the County’s collection of census data. <b>County requests census data from retirement plans, IT/payroll department and from TPA’s and insurance company(ies).</b> <b>County screens and reviews the data obtained, forwards to GRS, and certifies completeness and accuracy.</b>
<b>PHASE 3:</b> Collect Benefit Plan Data	<b>County provides requested premiums data and life-exposures from claims payer.</b>
<b>PHASE 4:</b> Develop Initial Per Capita Costs	Develop initial per capita costs for the benefit types. Convert initial composite per capita costs to a table of age-sex specific initial per capita costs for each benefit type.
<b>PHASE 5:</b> Calculate All Projected Benefits and Present Values	<b>County signs off on assumptions and methods employed.</b> Project future years’ expected costs for all those currently covered based on health care trend assumptions for each benefit type. Set up long-term actuarial modeling system. Advise County staff concerning assumptions and methods. Calculate actuarial present values of expected benefits payable.
<b>PHASE 6:</b> Calculate Expense and Liabilities	Calculate expense and liability disclosures under the required cost method.
<b>PHASE 7:</b> Prepare a Draft Report	Draft report and submit to the County for initial review and comments. Telephone conference (if requested) with County staff to review report before finalization.
<b>PHASE 8:</b> Finalize Report	Produce final report. Present the report to County staff/Boards, as necessary.

## DETAILED WORK PLAN

Prior to completing Phase 1, the process starts with a detailed conference call including the Benefits Manager and a member of the Financial Reporting department, resulting in a detailed Data Request Letter to the client.

### Phase 1 – Draft and Approve Substantive Plan Provisions

GASB Statement No. 75 requires the actuarial valuation of the employer-provided other post-employment benefits, as constituted in the “substantive plan”—the plan terms as understood by the parties (the employer and the members). This may be the most important step of the whole process. We must identify those benefits that qualify as employer-provided other post-employment benefits and the eligibilities and conditions under which they are available. We will draft a written version of the substantive plan and ask the employer to sign off on it before proceeding.

## **Phase 2 – Collect Employee and Retiree Census Data**

Census data will be requested from the County. The sources of this data will include the County's own payroll/personnel system; the pension plan covering its employees; third party administrators and the insurance company(ies) covering its employees for any qualifying OPEB benefits, such as health, dental, and life insurance.

## **Phase 3 – Collect Benefit Plan Data**

Information on the benefit plans, illustrative premiums and funding levels, claims data, exposure date, etc. will be required in order to develop the initial per capita costs for the benefit types.

## **Phase 4 – Develop Initial Per Capita Costs**

Each relevant benefit type needs an initial per capita cost for the group. This is the baseline starting point for the project and requires short-term health actuarial expertise. We call it "short-term" because the initial per capita costs for each benefit type are the total underlying costs (not necessarily the premium) expected for the year following the valuation date for all employees and retirees for the respective benefit types.

The initial composite per capita costs are then converted to a whole table of age-sex-specific initial per capita costs for each benefit type (including before and after age 65).

## **Phase 5 – Calculate All Projected Benefits and Present Values**

We project the future years' expected costs for all currently covered retirees and dependents are based on select and ultimate health care trend assumptions for each benefit type.

We will set up our long-term actuarial modeling system based upon the Summary of Substantive Plan Provisions. We expect to use all the retirement eligibility requirements of the respective pension plans for normal, early, duty and non-duty disability and death, as applicable. We use all the demographic actuarial assumptions (such as turnover, retirement, disability, and mortality rates) used by the pension plans (the assumptions may be modified based on the results of the experience study) because it is not proper to simply pull such rate tables off the shelf, since these are already based on plan experience.

Actually, the assumptions and methods employed are the employer's assumptions and methods. They are to be adopted by the employer because they are the basis for entries in the employer's financial statements. We will advise the employer's staff concerning the assumptions and methods. To that end, we will conduct conferences with key staff regarding these actuarial assumptions and methods to be used in the valuation.

All future years' benefit costs are projected and then discounted back to today's dollars in a present value. These actuarial present values of expected benefits payable form the basis for the accounting entries and disclosures required under GASB Statement No. 75.

Ultimately, all actuarial assumptions and methods are chosen or adopted by the County. Part of our role is to advise officials on such matters.

## **Phase 6 – Calculate Accounting Expense and Liabilities**

GASB Statement No. 75 requires the use of the Entry Age Normal actuarial cost methods to apply in deriving the final expense and disclosure numbers. We will therefore calculate these expense and liability disclosures under that cost method.

## **Phase 7 – Prepare Draft Report for Review**

GRS will prepare a draft version of our Actuarial Valuation Report and submit it to the County for initial review and comments. The individual results will be aggregated with totals.

The draft report will include an Executive Summary, tables or charts presenting the development of the results, a description of all primary actuarial assumptions and methods, and a summary of the plan benefits. Our report will include the issuance of a public Statement of Actuarial Opinion (SAO) in accordance with the Qualification Standards of the American Academy of Actuaries. In addition, GRS will be available to meet with the County, as necessary, for education, presentation of results, planning, and other purposes.

## **Phase 8 – Finalize Report**

After discussion regarding the draft report, we will make changes and issue our formal bound report to the client.

Various telephone conferences may be required or advisable as the project proceeds for the purposes of clarification, education (of GRS and County personnel), and decisions by the County as to which assumptions and methods to use.

Finally, if warranted, we will present the results to staff and/or committees and/or council via telephone conference or on-site meetings to explain the GASB requirements and implications and to review our report and any recommendations or options there may be.

## **EXPERIENCE STUDY**

The process to perform the experience study will be composed of the following steps:

1. Look at each assumption individually (including healthcare coverage election rates and spousal coverage election rates).
2. Collect actual experience from the past five years and compare it to the current assumption.
3. Determine whether a change should be made or if the assumption is better off left unchanged.
4. If a change is required, we will develop a recommendation.

The assumptions used for the actuarial valuation of Okaloosa County that we propose to review are:

- Salary scale
- Retirement rates
- Turnover rates
- Healthcare coverage election rates
- Spousal coverage election rates

Due to the size of the plan, the level of credibility that can be given to the results of the experience study for the mortality and disability rates is expected to be very low. We are therefore recommending the use of the mortality and disability assumptions used by the Florida Retirement System for Regular Class members in the most recent Actuarial Valuation report.

Please note that the changes in assumptions may increase or decrease the overall liability of the Plan. Our goal is to create a set of assumptions that will result in a lower probability of accumulation of future actuarial gains or losses.

We would like to start the process of preparing the experience study as soon as feasibly possible. After an initial discussion with the County, we would request the necessary data. Upon receipt of the data, we would proceed with the experience study. *We would like to receive the requested data from the County for the experience study no later than September 1<sup>st</sup>.* That would allow us to commence work a few weeks before commencing work on the OPEB valuation report. Our goal is to have the experience study report ready 4 weeks after receiving the requested data.



**6. A description of the specific data the Respondent would require in order to complete the actuarial study and in what format the data needs to be transmitted.**

We plan to prepare a 5-year experience study covering the period from October 1, 2012 through September 30, 2017. In order to proceed, we would need to receive the census data as October 1, 2012, October 1, 2013, October 1, 2014, October 1, 2015, October 1, 2016, and October 1, 2017. That data should include for each year, at a minimum:

**1. Active Members (please provide active member record layout)**

- a. Name of the Employee
- b. Social Security Number of the Employee (or personal identification number)
- c. Gender of the Employee
- d. Date of Birth of the Employee
- e. Most recent date hired by the County
- f. Constitutional Office
- g. FRS Classification Code
- h. Ending date of DROP period (if in the DROP program)
- i. Annual Salary rate in effect on October 1 of each year
- j. Service credit through September 30<sup>th</sup> under FRS (for each year)

**2. Retirees and terminated participants (please provide inactive member record layout)**

- a. Name
- b. Social Security Number (or personal identification number)
- c. Gender
- d. Date of Birth
- e. Most recent date hired by the County
- f. Termination date
- g. Benefit commencement date
- h. Inactive status code (terminated vested, retired, beneficiary, disabled, etc.)
- i. Constitutional Office (at termination or retirement)
- j. For former DROP participants, DROP end date
- k. FRS Classification Code
- l. Ending date of DROP period (if in the DROP program)
- m. Health dependent coverage tier selected (single, ee+family)
- n. Indicator if covered under the health plan (yes or no)
- o. Date benefits cease

We would appreciate receiving this information in an excel format and the information should be provided through our secure website.

In addition, we could provide the County with a template letter (to be forwarded to FRS by the County) that could be used to request most of the historical information from FRS. That alternative may save the County time and efforts in the process of gathering the information.

**7. A clear and concise presentation of the proposed fees for the required actuarial services. The fees must be all inclusive for each year. In addition, include the hourly rate for additional services that are available from the Respondent but not required by the scope of this RFP**

Okaloosa County						
Proposed Fee Schedule For Actuarial Services - Gabriel Roeder Smith & Company						
Fiscal Year Ending	2018	2019	2020	2021	2022	Total
Biannual Full Actuarial Valuation for OPEB under GASB 75 reporting:	\$ 10,500	N/A	\$ 10,500	N/A	\$ 10,500	\$ 31,500
OPEB Roll-Forward (in intervening years) under GASB 75 reporting:	N/A	\$ 2,500	N/A	\$ 2,500	N/A	\$ 5,000
Meeting with the County to review the valuation results (no additional charges):	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Five-Year Experience Study* (to be performed in the first year):	\$ 7,000	\$ -	\$ -	\$ -	\$ -	\$ 7,000
<b>TOTAL FEES</b>	<b>\$ 17,500</b>	<b>\$ 2,500</b>	<b>\$ 10,500</b>	<b>\$ 2,500</b>	<b>\$ 10,500</b>	<b>\$ 43,500</b>

\*Fee for the experience study is based on the scope of work contained in the RFP as we understand it. The fee may be modified depending on the final scope of work after discussion with the County.

GRS bills clients in accordance with contract terms and by the fees and hourly rates indicated in our bids. For the full OPEB GASB 75 report, one-half of the fees for the work applicable are due and payable upon receipt of the data request with the remainder due upon completion of the report. For all of the other services mentioned above, GRS will submit an invoice upon final delivery of each report.

Additional fees may be necessary for optional consulting services, including special re-calculations due to “significant changes” as required by the GASB standards, open group forecasts of future ADCs, PE, NPL, etc., assistance with drafting or reviewing plan and trust documents (in conjunction with legal counsel), plan benefit changes, re-examination of return assumption or asset valuation methods as requested by the County, special meetings, presentations or any other requested services outside the scope of this RFP.

Such additional fees will be based upon the following hourly rates in effect during the contract period. If well-defined, GRS would be pleased to quote fixed fees for such optional consulting services in advance. There are no expenses outside of the hourly rates.

Title	Hourly Rate*
Senior Consultant	\$360 - \$480
Consultant	\$282 - \$356
Senior Actuarial Analyst	\$224 - \$276
Actuarial Analyst	\$176 - \$206
Administrative Assistant	\$128 - \$142

\* The hourly rates are applicable through June 2018. The rates are updated annually each July 1<sup>st</sup>, generally to reflect inflation.

***8. An estimate of the length of time to complete the study and submit a report following the Respondent's receipt of all the required data from Okaloosa County. {NOTE: The data from Okaloosa County will be as of October 1 each year.}***

We expect to provide the County with the experience study report within 4 weeks after receiving all the required data from Okaloosa County. We would like to complete the experience study report by October 1<sup>st</sup>. However, the final timing of the report will also depend on when the requested historical data is received (but no later than November 1<sup>st</sup>).

***9. A description of all required disclosures included in the valuation report. If any additional information is included, it must also be described in detail.***

The OPEB Valuation report will include all the disclosures required by GASB 75 and will contain the following information (please see our sample report attached in Appendix B for more details):

1. An Executive Summary, which will provide a summary of the material information contained in the valuation report.
2. A Schedule of Changes in Total OPEB Liability and Related Ratios, which will include:
  - a. Service Cost
  - b. Interest on the Total OPEB Liability
  - c. Changes in the Total OPEB Liability due to changes in plan benefits
  - d. Difference between expected and actual experience of the Total OPEB Liability
  - e. Change of assumptions
  - f. Benefit payments
  - g. Covered Payroll
  - h. Total OPEB Liability as a percentage of Covered Payroll
  - i. Total OPEB Liability at the beginning of the year
  - j. Total OPEB Liability at the end of the year
3. Notes to Changes in Total OPEB Liability and Related Ratios, which will provide a brief summary of the methods and assumptions used to determine the Total OPEB Liability.
4. Statement of OPEB Expense under GASB Statement No. 75, which will include:
  - a. Service Cost
  - b. Interest on the Total OPEB Liability
  - c. Changes in the Total OPEB Liability due to changes in plan benefits
  - d. OPEB Plan administrative Expenses
  - e. Recognition of Outflow (Inflow) of Resources due to Liabilities
  - f. Total OPEB Expense
5. Statement of Outflows and Inflows Arising from the current reporting period, prior Reporting periods and a summary of the Deferred Outflows and Inflows of Resources. These are due to changes in actuarial assumptions or differences between expected actuarial experience and actual experience. They are deferred and recognized in the OPEB Expense over a closed period equal to the average expected remaining service lives of employees, retirees and vested deferred members, starting with the current reporting period.
6. Discount Rate information, which will include:
  - a. The discount rate used and the change in the discount rate since the prior fiscal year-end
  - b. The municipal bond rate used and the source of that rate
7. A statement that there are no assets accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.
8. A Summary of Membership Information, which will provide the number of participants in the plan as of the measurement date.

9. Sensitivity of the Total OPEB Liability:
  - a. Measure of the Total OPEB Liability using +/-1% on the discount rate
  - b. Measure of the Total OPEB Liability using +/-1% on the health care trend rate
10. A summary of the Substantive Plan Provisions, which will provide a summary of the retiree benefits/eligibilities of qualified OPEBs under GASB No. 75.
11. The development of initial Per Capita Costs, which will provide the information used in our development of the initial Per Capita Costs.
12. A Summary of Participant Data, which will contain a table showing the number of active employees by age groups and years of service, and a table showing the number of retirees and surviving spouses by age groups and gender.
13. The Actuarial Assumptions and Methods used, which will provide details on the cost method and all the actuarial assumptions used in the preparation of the valuation report.

***10. Confirmation that the Respondent will be available to meet with Okaloosa County to review the valuation results, if necessary. [NOTE: The associated cost (if any) must be included in the proposed fee.]***

Yes, we will be available to meet with Okaloosa County to review the valuation results if a meeting is requested by the County.

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## REQUIRED FORMS

*The following documents are to be submitted with the proposal packet:*

*Respondent Acknowledgment Form*

*A. Drug-Free Workplace Certification Form*

*B. Conflict of Interest*

*C. Federal E-Verify*

*D. Code of Silence*

*E. Indemnification and Hold Harmless*

*F. Company Data*

*G. Systems of Awards Management*

*H. Addendum Acknowledgement*

*I. Prohibition to Lobbying*

*L. Standard Additional Clauses "Exhibit B"*

*M. Draft Contract*



## **APPENDIX A**

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### **SAMPLE CLIENTS LIST**

**AK**

Alaska Retirement Management Board (auditing actuary)

**AL**

Northeast Alabama Regional Medical Center

The Mobile Housing Board

**AR**

Arkansas Judicial Retirement System

Arkansas Local Police and Fire Retirement System

Arkansas Public Employees Retirement System

Arkansas State Highway Employees Retirement System

Arkansas State Police Retirement System

Arkansas Teacher Retirement System

City of Conway

Texarkana Public Employees Retirement System

**AZ**

Arizona Public Safety Personnel Retirement System

Arizona State Retirement System

City of Phoenix Employees Retirement System

Tucson Arizona Supplemental Retirement System

**CA**

Los Angeles Water & Power Employees' Association

San Luis Obispo County Pension Trust

**CO**

Adams County Retirement Board

Arapahoe County

Aurora General Employees Retirement Plan

Center Fire Protection District

City of Englewood

Colorado Fire and Police Pension Association (FPPA)

Craig Rural Fire Protection District

Denver Employees Retirement Plan

Denver Board of Water Commissioners

Fort Upton Fire Protection District

Jefferson County School District No.R1 Retirement System

Longmont

Rapid Transit District of Denver

RTD/ATU Local 1001

**FL**

Alachua County School District

Atlantic Beach Florida General Employees' Retirement System

Atlantic Beach Police Officers' Retirement System

Bal Harbour Village General Employees' Pension Plan

Bay Medical Center

Boynton Beach Municipal Firefighters Retirement Fund

Boynton Beach Municipal Police Officers' Retirement Fund

Boynton Beach Pension Plan for General Employees

Bradenton Police Officers' Retirement Plan

City of Arcadia

City of Fernandina Beach

City of Kissimmee

City of Lake Worth

City of Miami

City of Miami Parking Authority

City of Oldsmar

City of Sarasota

City of Tallahassee

Clearwater Employees Pension Fund

Cooper City General Employees Retirement Plan

Cooper City Officers Retirement Plan

Cooper City Police Retirement Plan

Coral Gables Retirement System

Coral Springs General Employees' Retirement System

Dania Beach General Employees' Retirement Plan

Dania Beach Police & Firefighters' Retirement System

Deerfield Beach Non-Uniformed Employees' Retirement Plan

DeLand General Employees' Retirement Plan

DeLand Municipal Police Officers' Retirement Plan

Delray Beach General Employees' Retirement Plan

Escambia County

Eustis Police Officers' Retirement System

Florida City Elected Officials Retirement Plan

Fort Lauderdale General Employees Retirement System

Fort Pierce Police Officers Retirement Fund

Fort Pierce Retirement and Benefit System

Hernando County

Hialeah Elected Officers Retirement System

Hialeah Gardens Police Pension Trust Fund

Hollywood Employees Retirement System

Homestead Elected Official Retirement System (Old Plan)

Homestead Firefighters' Retirement System

Homestead General Employees' Retirement System

Homestead New Elected Officials and Sr. Management Ret. System (New Plan)

Homestead Police Officers' Pension Plan

Indian River County

Jacksonville Police & Fire Pension Fund

Jacksonville Beach Firefighters' Retirement System

Jacksonville Beach General Employees' Retirement System

Jacksonville Beach Police Officers' Retirement System

Jupiter Island Retirement Plan

Key Biscayne Police & Firefighters Retirement Plan

Key West Employees' Retirement Plan

Key West Utility Board General Employees Retirement System

Kissimmee General Employees' Retirement Plan

Lake Mary Firefighters Pension Plan

Lake Worth Firefighters Retirement System  
Lake Worth General Employees' Retirement System  
Lake Worth Police Officers' Pension Systems  
Lakeland Employees Retirement System  
Lantana Firefighters' Pension Fund  
Lantana Police Relief & Pension Fund  
Largo Municipal Police Officers' & Firefighters' Retirement Plan  
Lauderdale by Sea Volunteer Firefighters' Retirement Plan  
Lauderhill General Employees Retirement System  
Lee County Sheriff  
Leon County School District  
Marco Island Firefighters' Pension Plan  
Martin County Sheriff  
Miami Beach Fire & Police Retirement Plan  
Miami Beach Employees' Retirement Plan  
Miami Parking Authority  
Miami Shores Village General Employees' Pension Plan  
Miami Shores Village Police Officers' Retirement System  
Miami Springs Employees' Retirement System  
Miami Springs Police & Firefighters' Retirement System  
Miramar General Employees Retirement System  
Miramar Management Retirement Plan  
Mount Dora Firefighters' Pension and Retirement System  
Mount Dora General Employees' Pension Plan  
Mount Dora Police Officers' Pension & Retirement System  
Nassau County  
New Port Richey Police Officers' Retirement System  
North Miami Beach  
North Miami Clair T. Singerman Employees' Retirement System  
North Miami Police Pension Plan  
North Palm Beach General Employees' Retirement Fund  
Office of Program Policy Analysis and Government Accountability  
Okaloosa County Sheriff  
Okeechobee General Employees' Retirement Plan  
Okeechobee Municipal Firefighters' Pension Fund  
Okeechobee Municipal Police Officers' Retirement System  
Orlando General Employees' Pension Fund  
Orlando Utilities Commission Pension Plan  
Palm Beach County Fire Employee Benefits Fund  
Palm Beach County Firefighters' Retirement Insurance Fund  
Palm Beach Gardens Police Officers' Pension Fund  
Palm Springs Village Hazardous Employees Pension Plan  
Pembroke Pines Fire & Police Pension Fund  
Pinellas Park Police Officers' Pension Fund  
Plantation General Employees Retirement System  
Plantation Police Officers' Retirement Fund  
Plantation Volunteers' Firefighters Retirement System  
Riviera Beach General Employees' Retirement System

Riviera Beach Municipal Firefighters' Retirement System  
Riviera Beach Police Pension Fund  
Sarasota Firefighters' Health Insurance Trust Fund  
Sarasota Firefighters' Pension Fund  
Sarasota General Employees Pension Fund  
Sarasota Police Officers Pension Fund  
Sebring Police Officers' Retirement Fund  
South Miami Pension Plan  
St. Johns County  
St. Petersburg College  
Starke Firefighters' Retirement System  
Starke General Employees' Retirement System  
Starke Police Officers' Retirement System  
Sunrise General Employees' Retirement Plan  
Sunrise Police Officers' Retirement Plan  
Sweetwater Elected Officers  
Sweetwater Police Officers Retirement Plan  
Tallahassee Employees' Retirement System  
Tamarac Police Pension Plan Trust Fund  
Tavares Firefighters' Pension Board of Trustees  
Tavares Police Officers' Pension Plan  
Tequesta General Employees' Pension Trust Fund  
Tequesta Public Safety Officers Pension Trust Fund  
Town of Palm Beach Firefighters Retirement System  
Town of Palm Beach General Employees Retirement System  
Town of Palm Beach Police Officers Retirement System  
Town of Surfside Employees' Retirement Plan  
Volusia County Volunteer Firefighters' Pension System  
Walton County School District  
West Palm Beach Firefighters Benefit Fund  
West Palm Beach Police Pension Fund  
West Palm Beach Restated Employees Defined Benefit Retirement System  
Wilton Manors Pension Plan for General Employees & Police  
Wilton Manors Volunteer Firefighters' Retirement System  
Winter Park Firefighters' Retirement System  
Winter Park Police Officers' Retirement System  
Winter Springs Police and General Retirement System

## HI

State of Hawaii  
State of Hawaii Employees' Retirement System

## IL

Chicago Firemen's' Annuity & Benefit Fund  
Chicago Laborers' & Retirement Board Emp.  
Chicago Policemen's' Annuity & Ben. Fund  
Chicago Regional Transportation Authority  
City of Joliet  
East Peoria Police and Fire Pension Funds

General Assembly Retirement System of Illinois  
Illinois Municipal Retirement Fund  
Illinois State Employees Retirement System  
Judges Retirement System of Illinois  
State Universities Retirement System of Illinois

## **KY**

Kentucky Retirement Systems

## **LA**

Louisiana Legislative Auditor

## **MD**

Maryland State Retirement and Pension System  
Montgomery County Employees' Retirement System  
Prince George County

## **MI**

Alpena Employees' Retirement System  
Allen Park Retirement System  
Battle Creek Police and Fire Retirement System-Act 345  
Bay County Employees Retirement System  
Benton Township Policemen and Firemen Retirement System  
Berkley Public Safety Retirement System-Act 345  
Berrien County Employees Retirement Plan  
Bessemer Police & Fire Retirement System  
Birmingham Employees Retirement System  
Center Line Police and Fire Pension System  
Charter Township of Harrison  
Charter Township of Meridian  
Charter Township of West Bloomfield Employees Retirement Plan  
City of Big Rapids Police & Fire Retirement System  
Cobo Hall Authority  
Dearborn Chapter 21 Retirement System  
Dearborn Chapter 22 Retirement System  
Dearborn Chapter 23 Retirement System  
Dearborn Heights Police & Fire Retirement System  
Detroit General Retirement System  
Detroit Police and Fire Retirement System  
Dickinson County Health Care System  
Ferndale Employee Retirement System  
Ferndale Police and Fire Retirement System  
Gibraltar Public Safety Officers Retirement System - Act 345  
Gogebic County Employees Retirement System  
Grand Rapids General Retirement System  
Grand Rapids Police and Fire Retirement System  
Harrison Township Firemen's Pension Fund  
Harrison Township General Employees Retirement System  
Huron Clinton Metro Authority  
Iron Mountain Policemen and Firemen Retirement System  
Ishpeming Policemen and Firemen Retirement System-Act 345

Jackson Act 345 Retirement System  
Jackson County Employees Retirement System  
Jackson Employees Retirement System  
Jackson Policemen's and Firemen's Pension Fund  
Kalamazoo County Employees' Retirement System  
Kalamazoo Employees Retirement System  
Kent County Employees Retirement Plan and Trust  
Kent Library District Employees' Retirement Plan  
Kingsford Policemen and Firemen Retirement System  
Lincoln Park Police Officers and Firefighters Retirement System  
Madison Heights Policemen and Firemen Retirement System  
Marquette Policemen and Firemen Retirement System  
Melvindale Policemen and Firemen Retirement System  
Menominee Policemen and Firemen Retirement System  
Michigan Public School Employees Retirement System  
Michigan State Employee Retirement System  
Michigan State Judges - Circuit and Recorders  
Michigan State Legislative Retirement System  
Michigan National Guard Retirement System  
Midland - Police and Fire Retirement System  
Midland County Employees Retirement System  
Midland County Retirement System Act 345  
Monroe Employees Retirement System  
Mount Clemens Employees Retirement System  
Mt. Pleasant Fire and Police Pension System  
Niles City Retirement Systems Plan A & B  
Niles Township Police and Fire Department Retirement Plan  
Oakland County Employees Retirement System  
Owosso Employees Retirement System  
River Rouge Employee Retirement System  
River Rouge Policemen and Firemen Retirement System  
Riverview Retirement System  
Road Commission for Oakland County Retirement System  
Royal Oak Retirement System  
Sanilac County Employees Retirement System  
Sault Ste. Marie Firemen and Policemen Retirement System  
Southfield Employees Retirement System  
Southfield Fire and Police Retirement System  
Southgate Policemen and Firemen Retirement System  
St. Clair Shores General Employees Retirement System  
St. Clair Shores Police and Fire Retirement System  
St. Joseph Employees Retirement Fund  
Sterling Heights Employees Retirement System  
Sturgis Employees Retirement System  
Taylor General Employees Retirement System  
Traverse City - Act 345 Police and Fire Retirement System  
Trenton - Fire and Police Retirement System  
Troy Employees Retirement System

Troy Incentive Plan for Volunteer Firefighters  
Waterford Township General Employees Retirement System  
Waterford Township Police and Fire Retirement System-Act 345  
Wayne County Employees' Retirement System  
Wayne County Employees' Retirement System-Circuit Court  
Commissioners Bailiffs Division -  
Westland Policemen and Firemen Retirement System  
Woodhaven Retirement Plan for Employees and Policemen  
Wyandotte Employees Retirement System  
Wyoming Employees Retirement System  
Ypsilanti Fire and Police Retirement System

## **MN**

Appleton Fire  
Minnesota State Retirement System  
Public Employees Retirement Association of MN  
St. Paul Teachers' Retirement Fund Association  
Virginia Minnesota Fire  
White Bear Lake

## **MO**

City of Joplin, Missouri Policemen's and Firemen's Pension Plan  
Columbia Police and Firemen's Retirement Fund  
Jefferson City Firemen's Retirement Fund  
Missouri Dept. of Transportation and Highway Patrol Employees'  
Retirement System  
Missouri Local Government Employees Retirement System  
Richmond Heights Policemen & Firemen Retirement Fund  
St. Louis Fire

## **ND**

North Dakota Public Employee Retirement System

## **NH**

Manchester Employees' Contributory Retirement System  
New Hampshire Local Government Center Defined Benefit Pension  
Plan  
New Hampshire Retirement System

## **NM**

New Mexico Educational Retirement Board

## **OH**

Ohio Public Employees Retirement System  
Ohio State Highway Patrol Retirement System

## **OK**

Metropolitan Tulsa Transit Authority  
Oklahoma City Employee Retirement System  
Oklahoma Teachers' Retirement System  
Tulsa Municipal Employees' Retirement Plan Board of Trustees

## **RI**

Employees' Retirement System of Rhode Island  
Warwick

## **SC**

South Carolina Retirement Systems

## **SD**

Sioux Falls Employee's Retirement System  
Sioux Falls Firefighters' Pension Fund

## **TN**

State of Tennessee

## **TX**

City of Arlington  
City of Austin  
City of Irving  
City of Plano  
Dallas / Fort Worth International Airport Board  
Dallas County Utility and Reclamation District  
Dallas Employee Retirement System  
Houston Municipal Employees' Pension System  
Houston Police Officers' Pension System  
Texas Employee Retirement System  
Texas Municipal Retirement System  
Texas Teacher Retirement System

## **UT**

Utah Retirement System

## **VA**

Educational Employees' Supplementary Retirement System of  
Fairfax County  
Fairfax Retirement Plan  
Virginia Joint Audit & Review Commission

## **WA**

Port of Seattle

## **WI**

Milwaukee Public Schools Employee Retirement System  
Wisconsin Retirement System

## **WV**

City of Huntington  
West Virginia Pension and Oversight Board  
Morgantown Utilities Board

## **WY**

Cheyenne Regional Medical Center  
Wyoming Retirement System

## **APPENDIX B**

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### **SAMPLE VALUATION REPORT**

# The Sample County, Florida

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

For the Fiscal Year Ending September 30, 2017



December 21, 2017

Ms. Jean Doe  
Director of Human Resources  
Sample County  
12345 1<sup>st</sup> Street  
Sample, FL 12345

**Re: GASB Statement No. 75 Actuarial Valuation of Other Post-Employment Benefits (OPEB)**

Dear Ms. Doe:

Gabriel, Roeder, Smith & Company (GRS) has been engaged by the Sample County (the County) to perform an Actuarial Valuation of its Other Post-Employment Benefits (OPEB) provided to the County's retiring employees. We are pleased to present the results herein. The Valuation covers medical (including prescription drug) and life insurance benefits provided to retirees.

This report provides information on behalf of the County in connection with the Governmental Accounting Standards Board (GASB) Statement No. 75 "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions." This information is intended to assist in preparation of the financial statements of the County. Financial statements are the responsibility of management, subject to the auditor's review. Please let us know if the auditor recommends any changes.

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 the 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 through September 30, 2016, furnished to us by the County, concerning OPEB, active members, deferred vested members, retirees and beneficiaries, and financial data. This information was checked for internal consistency, but it was not audited.

The calculations are based upon assumptions regarding future events, which may or may not materialize. They are also based upon plan provisions outlined in this report. If you have reason to believe that the assumptions that were used are unreasonable, that the plan provisions are incorrectly described, that important relevant plan provisions are not described, or that conditions have changed since the calculations were made, you should contact the author of this report prior to relying on information in the report.



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 scope of an actuarial valuation does not include an analysis of the potential range of such future measurements.

Nicolas Lahaye and Piotr Krekora 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. The signing actuaries are independent of the plan sponsor.

This report has been prepared by actuaries who have substantial experience valuing public employee retirement systems. To the best of our knowledge, the information contained in this report is accurate and fairly represents the actuarial position of the plan as of the valuation date. All calculations have been made in conformity with generally accepted actuarial principles and practices, with the Actuarial Standards of Practice, and with applicable statutes. 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.

We will be pleased to answer any questions pertaining to the Actuarial Valuation.

Respectfully submitted,

GABRIEL, ROEDER, SMITH AND COMPANY



Nicolas Lahaye, FSA, EA, MAAA, FCA  
Consultant & Actuary



Piotr Krekora, ASA, EA, MAAA, FCA  
Consultant & Actuary

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## SECTION A

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### EXECUTIVE SUMMARY

## Executive Summary

	<b>2017</b>
Actuarial Valuation Date	September 30, 2016
Measurement Date of the Total OPEB Liability	September 30, 2016
Employer's Fiscal Year Ending Date (Reporting Date)	September 30, 2017

**Membership as of the Measurement Date**

Number of	
- Retirees and Beneficiaries	425
- Inactive, Nonretired Members	0
- Active Members	1,527
- Total	1,952
Covered Payroll	\$ 75,676,788

**Total OPEB Liability**

Total OPEB Liability	\$ 286,357,073
Total OPEB Liability as a Percentage of Covered Payroll	378.39 %

**Development of the Single Discount Rate**

Long-Term Municipal Bond Rate*	3.06 %
--------------------------------	--------

**Total OPEB Expense**

\$ 20,651,789

**Deferred Outflows and Deferred Inflows of Resources by Source to be Recognized in Future OPEB Expenses**

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 0	\$ 0
Changes in assumptions	28,594,719	0
<b>Total</b>	<b>\$ 28,594,719</b>	<b>\$ 0</b>

*\*Source: "20-Bond GO Index" is the Bond Buyer Index, general obligation, 20 years to maturity, mixed quality. In describing this index, the Bond Buyer notes that the bonds' average credit quality is roughly equivalent to Moody's Investors Service's Aa2 rating and Standard & Poor's Corp.'s AA. The rate shown is as of September 29, 2016, the most recent date available on or before the measurement date.*

# 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 Sample County elected to early implement GASB Statement No. 75 for the fiscal year beginning October 1, 2016.

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, such as notes regarding accounting policies and investments, 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

GASB Statement No. 75 requires state and local government employers to recognize the net OPEB liability and the OPEB expense on their financial statements, along with the related deferred outflows and inflows of resources. The net OPEB liability is the difference between the total OPEB liability and the plan's fiduciary net position. In traditional actuarial terms, this is analogous to the accrued liability less the market value of assets. Since the plan is currently unfunded, the net OPEB liability is equal to the total OPEB liability.

The OPEB expense recognized each fiscal year is equal to the change in the total OPEB liability from the beginning of the year to the end of the year, not including the impact of employer contributions, adjusted for deferred recognition of the liability.

GASB Statement No. 75 states the employer contributions made to the OPEB plan subsequent to the measurement date and before the end of the employer's reporting period should be reported as a deferred outflow of resources.

## Notes to Financial Statements

GASB Statement No. 75 requires numerous note disclosures to the employer's financial statements concerning the plan.

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

GASB Statement No. 75 requires a 10-year fiscal history (to be built prospectively) 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 payroll

## 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 pension 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 September 30, 2016 and a measurement date of September 30, 2016.

## Discount Rate

For plans that do not have formal assets, the discount rate should equal a yield or index rate for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher as of the measurement date. For the purpose of this valuation, the municipal bond rate is 3.06% (based on the weekly rate closest to but not later than the measurement date of the Bond Buyer's "20-Bond GO Index").

## 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.

## 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 differing from expected;
  - Elections at retirement;
  - One-person versus two-person coverage elections;
  - Time of retirement or termination.

## Benefits Valued

The benefit provisions that were valued are summarized 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 actuary 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. The Sample County elected to early implement GASB Statement No. 75 for the fiscal year beginning October 1, 2016.

## **SECTION B**

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### **FINANCIAL SCHEDULES**

## Schedule of Changes in Total OPEB Liability and Related Ratios Measurement Year Ended September 30, 2016 (Ultimately 10 Years Will Be Displayed)

Measurement Year Ended September 30,	<u>2016</u>
<b>A. Total OPEB Liability</b>	
1. Service cost	\$ 8,466,020
2. Interest on the Total OPEB Liability	9,205,476
3. Changes of benefit terms	0
4. Difference between expected and actual experience of the Total OPEB Liability	0
5. Changes of assumptions	31,575,012
6. Benefit payments	<u>(5,098,879)</u>
<b>7. Net change in Total OPEB Liability</b>	<b>\$ 44,147,629</b>
<b>8. Total OPEB Liability – Beginning</b>	<b><u>242,209,444</u></b>
<b>9. Total OPEB Liability – Ending</b>	<b><u>\$ 286,357,073</u></b>
<b>B. Covered Payroll</b>	<b>\$ 75,676,788</b>
<b>C. Total OPEB liability as a percentage of Covered Payroll</b>	<b>378.39%</b>



## Notes to Schedule of Change in Total OPEB Liability and Related Ratios

**Valuation Date:** September 30, 2016

**Methods and Assumptions Used to Determine Total OPEB Liability:**

Actuarial Cost Method	Entry Age Normal
Inflation	2.50%
Discount Rate	3.06%
Salary Increases	Salary increase rates used in the July 1, 2016 actuarial valuation of the Florida Retirement System; 3.7% - 7.8%, including inflation.
Retirement Age	Retirement rates used in the July 1, 2016 actuarial valuation of the Florida Retirement System. They are based on the results of a statewide experience study covering the period 2008 through 2013.
Mortality	Mortality tables used in the July 1, 2016 actuarial valuation of the Florida Retirement System. They are based on the results of a statewide experience study covering the period 2008 through 2013.
Healthcare Cost Trend Rates	Based on the Getzen Model, with trend starting at 7.25% and gradually decreasing to an ultimate trend rate of 4.25% plus 0.46% increase for excise tax.
Aging factors	Based on the 2013 SOA Study "Health Care Costs - From Birth to Death".
Expenses	Administrative expenses are included in the per capita health costs.

**Other Information:**

**Notes** The discount rate was changed from 3.71% as of the beginning of the measurement period to 3.06% as of September 30, 2016. This change is reflected in the Schedule of Changes in Total OPEB Liability.  
There were no benefit changes during the year.

**Statement of OPEB Expense**  
**Employer Fiscal Year Ended September 30, 2017**  
**(Based on Measurement Year Ended September 30, 2016)**

**OPEB Expense**

1. Service Cost	\$	8,466,020
2. Interest on the Total OPEB Liability		9,205,476
3. Current-Period Benefit Changes		0
4. OPEB Plan Administrative Expense		0
5. Recognition of Outflow/(Inflow) of Resources due to Liabilities		<u>2,980,293</u>
<b>6. Total OPEB Expense</b>	<b>\$</b>	<b>20,651,789</b>

# Statement of Outflows and Inflows Arising from Current Reporting Period Employer Fiscal Year Ended September 30, 2017 (Based on Measurement Year Ended September 30, 2016)

## A. Outflows/(Inflows) of Resources due to Liabilities

1. Difference between expected and actual experience of the Total OPEB Liability (gains) or losses	\$	0
2. Assumption Changes (gains) or losses	\$	31,575,012
3. Recognition period for Liabilities: Average of the expected remaining service lives of all employees {in years}		10.5946
4. Outflow/(Inflow) of Resources to be recognized in the current OPEB expense for the difference between expected and actual experience of the Total OPEB Liability	\$	0
5. Outflow/(Inflow) of Resources to be recognized in the current OPEB expense for assumption changes	\$	2,980,293
6. Outflow/(Inflow) of Resources to be recognized in the current OPEB expense due to Liabilities	\$	<u>2,980,293</u>
7. Deferred Outflow/(Inflow) of Resources to be recognized in future OPEB expenses for the difference between expected and actual experience of the Total OPEB Liability	\$	0
8. Deferred Outflow/(Inflow) of Resources to be recognized in future OPEB expenses for assumption changes	\$	28,594,719
9. Deferred Outflow/(Inflow) of Resources to be recognized in future OPEB expenses due to Liabilities	\$	<u>28,594,719</u>

## B. Outflow of Resources due to Benefits Paid After the Measurement Date

1. Fully Insured Age-Adjusted Premiums Paid on Behalf of Retirees	\$	27,092
2. Retiree/Spouse Premiums Collected for Fully-Insured Coverage	\$	5,037
3. Self-Insured Medical/Rx Retained Costs*		
a) Claims Paid	\$	5,660,751
b) Adjustment to Incurred	\$	66,499
c) Stop-Loss Premiums	\$	300,737
d) Administrative Expenses	\$	151,282
e) Stop-Loss Reimbursement	\$	(156,425)
f) Total Self-Insured Medical/Rx Retained Costs	\$	6,022,844
4. Net Retiree/Spouse Premiums Collected for Self-Insured Medical/Rx	\$	1,438,071
5. Deferred Outflow of Resources due to Employer OPEB contribution made subsequent to 9/30/2016 but before 9/30/2017 (1 - 2 + 3 - 4)	\$	<u>4,606,828</u>

\* Cost of benefits provided through the self-insured component has been calculated according to the procedure outlined in Section G based on actual plan experience.

**Statement of Outflows and Inflows Arising  
from Current and Prior Reporting Periods  
Employer Fiscal Year Ended September 30, 2017  
(Based on Measurement Year Ended September 30, 2016)**

**A. Outflows and Inflows of Resources by Source to be Recognized in Current OPEB Expense**

	<u>Outflows of Resources</u>	<u>Inflows of Resources</u>	<u>Net Outflows of Resources</u>
1. Differences between expected and actual experience	\$ 0	\$ 0	\$ 0
2. Assumption changes	2,980,293	0	2,980,293
<b>3. Total</b>	<b>\$ 2,980,293</b>	<b>\$ 0</b>	<b>\$ 2,980,293</b>

**B. Deferred Outflows and Deferred Inflows of Resources by Source to be Recognized in Future OPEB Expenses**

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Net Deferred Outflows of Resources</u>
1. Differences between expected and actual experience	\$ 0	\$ 0	\$ 0
2. Assumption changes	28,594,719	0	28,594,719
<b>3. Total</b>	<b>\$ 28,594,719</b>	<b>\$ 0</b>	<b>\$ 28,594,719</b>

**C. Deferred Outflows and Deferred Inflows of Resources by Year to be Recognized in Future OPEB Expenses**

<u>Year Ending September 30</u>	<u>Net Deferred Outflows of Resources</u>
2018	\$ 2,980,293
2019	2,980,293
2020	2,980,293
2021	2,980,293
2022	2,980,293
Thereafter	13,693,254
<b>Total</b>	<b>\$ 28,594,719</b>

**Statement of Remaining Deferred Outflows and  
Inflows of Resources  
Employer Fiscal Year Ended September 30, 2017  
(Based on Measurement Year Ended September 30, 2016)**

<u>Date Established</u>	<u>Source</u>	<u>Recognition Period (years)</u>	<u>Original Amount</u>	<u>Years Remaining</u>	<u>Amount Unrecognized Beg of Period</u>	<u>Amount Recognized in Current Expense</u>	<u>Amount Deferred to Future Periods</u>
<b><u>Deferred Outflows of Resources</u></b>							
9/30/2017	Assumption Changes	10.6	\$ 31,575,012	10.6	\$ 31,575,012	\$ 2,980,293	\$ 28,594,719
		SUBTOTAL:	31,575,012		31,575,012	2,980,293	28,594,719
<b><u>Deferred Inflows of Resources</u></b>							
		GRAND TOTAL:			\$ 31,575,012	\$ 2,980,293	\$ 28,594,719

## 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 3.06% (based on the weekly rate closest to but not later than the measurement date of the Bond Buyer's "20-Bond GO Index"). The discount rate was 3.71% as of the beginning of the measurement year.

## 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 the measurement date:

Inactive Plan Members or Beneficiaries Currently Receiving Benefits	425
Inactive Plan Members Entitled to But Not Yet Receiving Benefits	-
Active Plan Members	<u>1,527</u>
Total Plan Members	1,952

## Sensitivity of Total OPEB Liability

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 3.06%, 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:

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

1% Decrease 2.06%	Current Discount Rate Assumption 3.06%	1% Increase 4.06%
\$ 344,869,935	\$ 286,357,073	\$ 239,591,377

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:

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

1% Decrease (6.25% down to 3.24%)	Current Healthcare Cost Trend Rate Assumption	1% Increase (8.25% down to 5.24%)
\$ 226,621,310	\$ 286,357,073	\$ 367,545,306

## SECTION C

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### SUMMARY OF SUBSTANTIVE PLAN PROVISIONS



# Summary of Substantive Plan Provisions as of September 30, 2016

## Eligibility for Retiree Benefits

Any employee of the Sample County who participates in and satisfies the Vesting, Disability, Early or Normal Retirement provisions of the Florida Retirement System (FRS) may be eligible for certain post-employment benefits per Statute 112.0801. Currently, the eligibility requirements for retirement under the FRS Defined Benefit Pension Plan are as follows:

<b>VESTING RETIREMENT</b>	<p><i>Enrolling in FRS prior to July 1, 2011:</i> Termination after 6 years of creditable service.</p> <p><i>Enrolling in FRS after June 30, 2011:</i> Termination after 8 years of creditable service.</p> <p>With 6 years of service with LCSO (8 years for those hired after June 30, 2011), per Statute 112.0801, retiree health coverage may commence immediately upon termination (provided the participant is considered a retiree with FRS).</p>
<b>DISABILITY RETIREMENT</b>	<p><i>Line of Duty:</i> Members are eligible if totally and permanently disabled during the actual performance of duty. There is no service credit requirement.</p> <p><i>Non-Duty:</i> Members are eligible if totally and permanently disabled after completing at least 8 years of creditable service.</p> <p>However, Members with renewed membership and DROP participants are not eligible for Disability Retirement.</p>
<b>SURVIVORSHIP</b>	<p><i>Line of Duty:</i> Member died during the actual performance of duty. There is no service credit requirement.</p> <p><i>Non-Duty:</i> Employment is terminated as a result of death after 6 years of creditable service for all classes of membership. For new hires on or after July 1, 2011, employment is terminated as a result of death after 8 years of creditable service for all classes of membership.</p>
<b>EARLY RETIREMENT</b>	<p>All employees may retire with a reduced pension benefit upon accrual of 6 years of creditable service (8 years if hired after June 30, 2011).</p>
<b>NORMAL RETIREMENT</b>	<p><i>Regular, Elected Officers and Senior Management Classes:</i></p> <ul style="list-style-type: none"><li>• <i>Enrolling in FRS prior to July 1, 2011:</i> Age 62 with 6 years of creditable service, or 30 years of creditable service regardless of age.</li><li>• <i>Enrolling in FRS after June 30, 2011:</i> Age 65 with 8 years of creditable service, or 33 years of creditable service regardless of age.</li></ul> <p><i>Special Risk:</i></p> <ul style="list-style-type: none"><li>• <i>Enrolling in FRS prior to July 1, 2011:</i> Age 55 with 6 years of creditable service, or 25 years of special risk creditable service regardless of age, or age 52 and 25 years of creditable combined service (including special risk service and military).</li><li>• <i>Enrolling in FRS after June 30, 2011:</i> Age 60 with 8 years of special risk creditable service, or 30 years of special risk creditable service regardless of age, or age 57 with 30 years of creditable service (including special risk and military service).</li></ul>

*Special Risk Administrative Support Class:* With at least 6 years of special risk class service, same as apply to *Special Risk*, above, otherwise same as apply to *Regular Class* above.

**DROP PARTICIPANTS**

DROP Participants are considered active employees while still in the DROP period. Upon actual retirement at the end of or during the DROP period the employee becomes eligible for certain post-employment benefit coverage.

Eligibility requirements for retirement under the FRS Investment Plan are as follows.

**INVESTMENT PLAN**

Participants become vested after one year of service. There are no other age or service requirements that must be met to “retire” under the provisions of the FRS Investment Plan. However, to be eligible for OPEBs, employees must attain age 59½ with at least 6 years of creditable service, or meet eligibility criteria applicable to similarly situated participants of the DB plan.

## Other Post-Employment Benefits

The post-employment benefits include continued coverage for the retiree and dependents in the Medical/Prescription Plan, the Dental Plan, the Vision Plan and the Life Insurance sponsored by the Employer.

## Health-Related Benefits

Eligible retirees may choose the same Medical Plan options available for active employees of the Employer. Dependents of retirees may be covered at the retiree’s option the same as dependents of active employees. Prescription Drug coverage is automatically extended to retirees and their dependents who continue coverage under any one of the Medical Plan options. Covered retirees and their dependents are subject to all the same Medical and Prescription benefits and rules for coverage as are active employees. Retirees and their dependents are eligible to participate in Employer-sponsored Dental and Vision Plans. Retirees may elect any combination of Plans (i.e. only Dental, Vision and Medical, etc.). Covered retirees are not required to enroll in Medicare Part B to continue coverage; however once they are eligible for Medicare Part B the plan will pay out as secondary payer even if the retiree does not elect Part B coverage through Medicare.

## Retiree Contributions for Medical/Prescription

In order to begin and maintain retiree Medical/Prescription coverage, premium contributions are required from the retiree. For dependent coverage, the retiree is required to pay a premium as well. If any required amounts are not paid timely, the coverage for the retiree and/or the dependent(s) will cease. The amount of the contributions required for retiree and dependent coverage may change from time to time.

Current monthly total Published Premium amounts for Medical/Prescription, Dental and Vision coverage are summarized in the table below. Coverage for children of retirees is available (until their limiting age). However, for measuring the long term costs, the relatively few children covered by retirees coupled with the short duration of their coverage remaining results in costs that are not material in the long term. Consequently, only retirees and spouses are included in the charts on the following page.

Monthly Published Premiums as of October 1, 2016			
Plan	Retiree Only	Spouse	Retiree + Spouse
Medical/Rx	\$ 752.88	\$ 666.02	\$ 1,418.90
Dental	\$ 45.76	\$ 76.27	\$ 122.03
Vision	\$ 1.23	\$ 1.87	\$ 3.10

Monthly Published Premiums as of October 1, 2017			
Plan	Retiree Only	Spouse	Retiree + Spouse
Medical/Rx	\$ 752.88	\$ 751.15	\$ 1,504.03
Dental	\$ 45.76	\$ 76.27	\$ 122.03
Vision	\$ 1.23	\$ 1.87	\$ 3.10

The actual fraction paid by the retiree depends on the service credited to the date of retirement as outlined below. Retirees first hired by the County on or after October 1, 2010 pay 100% of the premium for both retiree and dependent coverage. The following percentages apply to retirees hired prior to October 1, 2010:

Years of FRS Service at Retirement	% of Total Published Premium For Retiree Coverage	% of the Total Published Premium For Dependent Coverage
6 to 14	100%	100%
15	25%	100%
16	20%	100%
17	15%	100%
18	10%	100%
19	5%	100%
20 or more	0%	50%

The retiree is required to have the last 10 years of service rendered with LCSO to be eligible for the discount. If hired prior to October 1, 2009, the retiree may claim up to an additional 5 years of creditable service earned while in the employ of another member agency within the Florida Retirement System. In exchange for the discount, LCSO will retain up to one hundred dollars of the FRS Health Insurance Subsidy (HIS). The retained portion will not exceed the amount of the discount. Vested terminated employees in the Defined Benefit Pension Plan who continue coverage immediately upon termination by paying 100% of the Published Premium may qualify for the discounted rate upon commencement of FRS monthly benefits, provided the service requirements above are satisfied. Such employees in the Investment Plan qualify for the discounted rate upon retirement from LCSO, provided they meet the required years of service.

In general, the pre- and post-65 premiums are the same but if the retiree (and/or dependent) can show proof of Medicare Part A and Medicare Part B enrollment, a discount of \$80 per month is applied to the post-65 premium. In such case the subsidy provided by the LCSO would be based off that discounted premium. Also such retirees may direct portion of their HIS amount (or all if HIS amount is smaller than \$80) towards the payment of Medicare Part B premiums. If they cannot show proof of Part B enrollment, then the retiree (and/or survivor)

must pay the pre-65 premium. The Medical Plan will treat an eligible retiree or qualified dependent as enrolled in Medicare Part A and Medicare Part B, regardless of the retiree's actual enrollment. The Plan will base its payment on behalf of the retiree or spouse as if the retiree or spouse has utilized their Medicare benefits.

## Dental Plan

Retirees may continue their participation in group dental coverage subject to payment of premiums (current amounts shown in the tables above). Retirees may decline dental coverage while retaining Medical/Rx and vice versa. The Sample County does not provide any subsidy towards retirees' dental insurance and, consequently, Dental benefits are not Employer-provided in any sense and are not considered as other post-employment benefits for the purposes of GASB Statement No. 75.

## Vision Plan

Retirees may continue their participation in group vision coverage subject to payment of premiums (current amounts shown in the tables above). Retirees may decline vision coverage while retaining Medical/Rx and vice versa. Similar to dental coverage, the vision insurance premium is fully paid by the retiree and, consequently, vision benefits are not Employer-provided in any sense and are not considered as other post-employment benefits for the purposes of GASB Statement No. 75.

## Survivorship Benefits

The surviving spouse of a retiree is eligible to continue coverage under the group plan but must pay the premium applicable to the spouse (not the retiree), including any spousal subsidy previously available.

Non-line of duty death- If an active employee deceases after achieving vesting status, the surviving spouse will be eligible for the retiree benefits that they would have been eligible for if death of the member had not occurred.

Line-of-duty death- Medical benefits will be paid at 100% for the surviving spouse and dependents as long as they meet eligibility requirements.

## Life Insurance

Retirees may continue their participation in the Employer-sponsored life insurance policy. The face value is \$5,000 on the life of the retiree only, without dependent coverage. This coverage is subject to payment of premiums in the amount of \$1.37. Since this is a subsidized rate, the life insurance coverage is considered an OPEB subject to GASB Statement No. 75.

## Funding Vehicle

There is no separate trust through which benefits for retirees are funded. No assets are currently accumulated or earmarked for this purposes. All approved benefits are paid from the Employer's general assets when due.

## **COBRA Benefits**

Former employees, retirees and dependents may be eligible for an extended benefit under COBRA, regardless of the terms of the employer's other post-employment benefits. COBRA benefits are not considered as other post-employment benefits for the purposes of GASB Statement No. 75.

## **Termination and Amendment**

The post-employment benefits are extended to retirees and continued at the discretion of the Employer, which reserves the right (subject to State Statute and any collective bargaining agreements) to change or terminate benefits and to change premium contributions required from retirees in the future as circumstances change.

**SECTION D**

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**DEVELOPMENT OF INITIAL PER CAPITA COSTS**

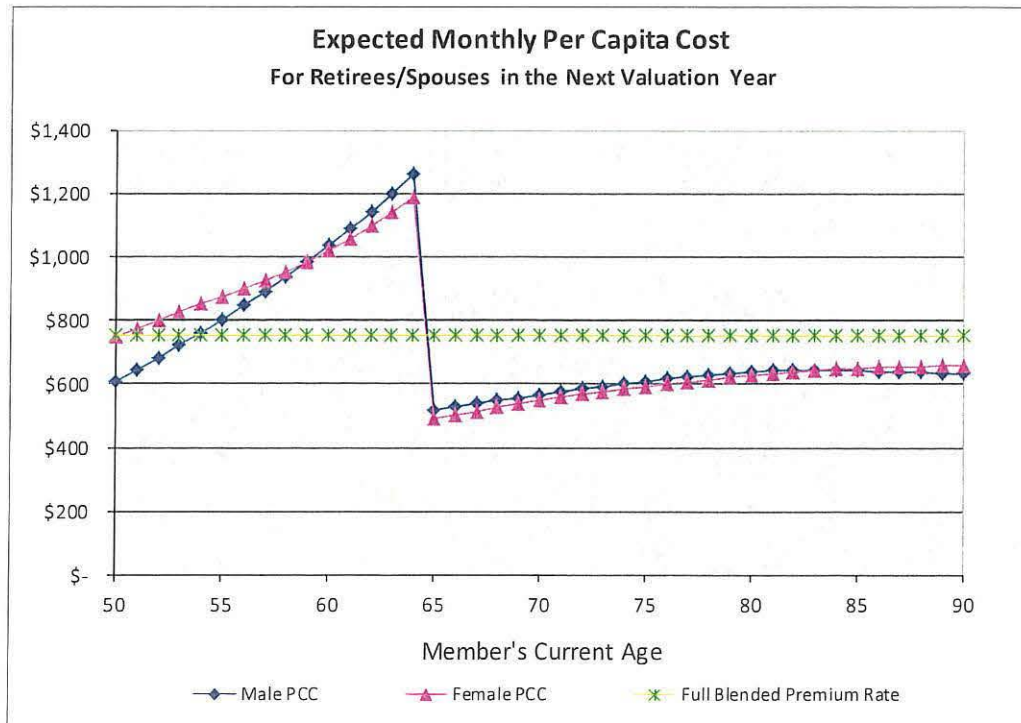
## Development of Initial Per Capita Costs

By offering medical coverage to employees, retirees and their dependents, the Employer assumes the responsibility for the expected claims and other costs incurred by the members of the plan. These costs are partially offset by contributions from employees and retirees. While the total premium amount charged for covering employees and retirees and their dependents is the same without regard to the age or gender of the member, the true costs of medical and prescription coverage in any given year, depends on these factors. As the ages of employees, retirees and dependents in the covered population increase, so do their costs of benefits.

The table and the graph below illustrate the expected initial monthly Per Capita Costs (PCC) applicable to current retirees in the coming year.

Initial Monthly Per Capita Cost By Age/Sex					
Medicare Not Eligible Retirees			Medicare Eligible Retirees		
Sample Ages	Male	Female	Sample Ages	Male	Female
45	\$ 468.09	\$ 646.03	65	\$ 520.17	\$ 490.62
50	609.51	750.85	70	566.65	548.32
55	802.04	875.71	75	608.60	593.86
59	986.00	986.00	80	638.91	627.73
60	1,035.88	1,019.99	85	643.55	651.13
64	1,259.66	1,188.78	90	631.63	657.66

For comparison, the full amount of premium applicable to a retiree (without regard to any subsidy or discount) is also presented in the graph below. The spread between the Per Capita Cost and the premium actually collected from the retiree is the expected monthly cost borne by the Employer when providing medical coverage to a particular retiree.



The amounts of Per Capita Costs illustrated on the previous page have been developed by employing the morbidity tables discussed below. The table shows select values of age grading factors reflecting rates at which medical costs increase with age of the member. The age grading factors have been developed based on the results of the study published (June 2013) in Health Care Costs – From Birth to Death sponsored by the Society of Actuaries and authored by Mr. Dale H. Yamamoto. These percentages are separate from the annual Trend, which operates to increase costs independent of and in addition to the Aging Factors. For example, in any single year a group of 61-year old males are expected to cost 5.02% more than a group of 60-year old males.

Medical/Rx Cost Increase By Age					
Sample Ages	Male	Female	Sample Ages	Male	Female
30	4.80%	3.74%	65	1.68%	2.46%
35	4.45%	-0.32%	70	1.72%	1.89%
40	4.42%	0.44%	75	1.07%	1.20%
45	4.89%	2.34%	80	0.62%	0.97%
50	5.81%	3.46%	85	-0.37%	0.36%
55	5.44%	2.84%	90	-0.28%	-0.14%
60	5.02%	3.66%	95	-0.38%	-2.21%

The total cost expected (based on claims and other costs for the self-insured health plan) for the entire covered population was allocated by age/sex, based upon the age/sex distribution of all plan members and the morbidity tables above. This procedure resulted in a table of age/sex-specific initial Per Capita Costs for the coming year. These calculations were based upon the benefits provided under the plan options available to employees and retirees as of the Valuation Date.

In the development of the PCC amounts, retirees and dependents age 65 and older are assumed to be Medicare-eligible. The “% of Total Claims Paid by Medicare” is an assumption regarding whether the core plan or Medicare pays as primary for Medicare-eligible retirees and dependents. In our work, we assume that the employer’s cost for a claim incurred by a Medicare eligible retiree is lower than the cost of the same claim incurred by a retiree who is not eligible for Medicare benefits. We are referring to that offset as “% of Total Claims Paid by Medicare” although some of it may be paid by a retiree. According to the Summary of Substantive Plan Provisions, the plan does not require Medicare-eligible members continuing coverage in the core plan to enroll in Medicare Part B. However, the plan will pay out as secondary payer for all post 65 claims. This adjustment is summarized below:

Additional Factors used in PCC Development	
% of Total Claims Paid by Medicare	60%

The Monthly Per Capita Costs (PCC) by age and sex represent the costs of coverage after taking out deductibles, coinsurance, co-pays, and Medicare payments, but before applying any monthly retiree contributions (premiums) charged for coverage. The Medicare Part D subsidy, if any, has not been given any consideration, since it may not be used to offset the OPEB obligation.

Amounts for each age/sex combination for this Valuation were developed based on census data for all participants of the Health Care Plan and on the total expected claims and other costs incurred by all members of the plan.



Expected Per Capita Costs applicable to retirees who retire under disability provisions are assumed to be the same as for all other similarly situated retirees. Although disabled retirees are generally more expensive to cover, some of such retirees may qualify for benefits under the Medicare program, which offsets the increased costs. We did not assess the relative magnitude of these factors but given the fact that they offset each other combined with a relatively low incidence of disability retirements, we believe that overall materiality of this aspect does not warrant more detailed analysis. Consequently, all retirees are subjected to the same model regardless of disability status.

The number of subscribers included in the Actuarial Valuation may be slightly different from the number used to develop the Per Capita Costs. The present distribution of subscribers for the purpose of Per Capita Cost Development is summarized below.

Number of Subscribers		
Coverage	Active/COBRA	Retired
Single	598	212
Family/Spouse	881	181

## SECTION E

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### SUMMARY OF PARTICIPANT DATA

## Summary of Participant Data

Age Group	Years of Service to Valuation Date - Active Employees							Total
	0-5	6-9	10-14	15-19	20-24	25-29	30&Up	
0 - 14	-	-	-	-	-	-	-	-
15 - 19	7	-	-	-	-	-	-	7
20 - 24	144	-	-	-	-	-	-	144
25 - 29	121	37	7	-	-	-	-	165
30 - 34	61	52	84	2	-	-	-	199
35 - 39	34	46	76	34	-	-	-	190
40 - 44	16	48	67	58	31	3	-	223
45 - 49	26	32	44	55	56	19	1	233
50 - 54	19	38	34	21	37	25	6	180
55 - 59	13	12	15	12	17	19	6	94
60 - 64	6	11	11	8	6	6	1	49
65 - 69	-	11	10	3	1	1	2	28
70 - 74	-	3	9	1	1	1	-	15
75 - 99	-	-	-	-	-	-	-	-
<b>Total</b>	<b>447</b>	<b>290</b>	<b>357</b>	<b>194</b>	<b>149</b>	<b>74</b>	<b>16</b>	<b>1,527</b>

Age Group	Retirees and Surviving Spouses		
	Male	Female	Total
0 - 44	5	3	8
45 - 49	14	9	23
50 - 54	31	12	43
55 - 59	47	17	64
60 - 64	70	23	93
65 - 69	62	20	82
70 - 74	30	26	56
75 - 79	11	18	29
80 - 84	8	8	16
85 - 89	5	5	10
90 - 94	-	1	1
95 - +	-	-	-
<b>Total</b>	<b>283</b>	<b>142</b>	<b>425</b>

*Note: The counts presented in the above tables reflect the number of retirees and employees covered under either Medical/Prescription or Life Insurance or both. The 1527 active employees include 1,514 employees with Life coverage and 1477 employees with Medical coverage. The 425 retired employees include 301 employees with Life coverage and 390 employees with Medical coverage.*

## SECTION F

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### ACTUARIAL ASSUMPTIONS AND METHODS

# Actuarial Assumptions and Methods

<b>Actuarial Valuation Date:</b>	September 30, 2016 for employee and retiree population purposes, for development of per capita cost purposes and for valuation purposes.
<b>Actuarial Cost Method:</b>	Individual Entry Age Normal Cost Method with an increasing Normal Cost pattern consistent with the salary increase assumptions used in the July 1, 2016 actuarial valuation of the Florida Retirement System.
<b>Discount Rate</b>	Under GASB Statement No. 75, since there are currently no invested plan assets held in trust to finance the OPEB obligations, the discount rate equals 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 3.06% (based on the daily rate closest to but not later than the measurement date of the Bond Buyer's "20-Bond GO Index").
<b>Florida Retirement System:</b>	Unless noted otherwise, demographic assumptions employed in this Actuarial Valuation were the same as those employed in the July 1, 2016 actuarial valuation of the Florida Retirement System (FRS) Defined Benefit Pension Plan. These demographic assumptions were developed by FRS from an Actuarial Experience Study, and therefore are appropriate for use in this OPEB Actuarial Valuation. These include assumed rates of future termination, mortality, disability, and retirement. In addition, salary increase assumptions (for development of the pattern of the Normal Cost increases) were the same as those used in the July 1, 2016 actuarial valuation of FRS Defined Benefit Pension Plan. Assumptions used in valuation of benefits for participants of the FRS Investment Plan are the same as for similarly situated participants of the FRS Defined Benefit Pension Plan.

**Mortality Tables:** In the following pages, we outline assumptions with respect to different employment classes under FRS. Due to the composition of the population, only assumptions applicable to Regular Class, Special Risk Class and Senior Management Service Class members have been used in this valuation. Mortality tables are used to measure the probabilities of participants dying before and after retirement. The tables used are outlined below.

## Healthy Inactive Mortality (Post-Employment)

- Female: RP2000 Generational, 100% Annuitant White Collar, Scale BB
- Male (other than Special Risk): RP2000 Generational, 50% Annuitant White Collar / 50% Annuitant Blue Collar, Scale BB
- Male (Special Risk): RP2000 Generational, 10% Annuitant White Collar / 90% Annuitant Blue Collar, Scale BB

## Healthy Active Mortality (During Employment)

- Female: RP2000 Generational, 100% Combined Healthy White Collar, Scale BB
- Male (other than Special Risk): RP2000 Generational, 50% Combined Healthy White Collar / 50% Combined Healthy Blue Collar, Scale BB

- Male (Special Risk): RP2000 Generational, 10% Combined Healthy White Collar / 90% Combined Healthy Blue Collar, Scale BB

Disabled Mortality

- Female (other than Special Risk): RP2000, 100% Disabled Female set forward two years, no projection scale
- Female (Special Risk): 60% RP2000 Disabled Female set forward two years / 40% Annuitant White Collar with no setback, no projection scale
- Male (other than Special Risk): RP2000, 100% Disabled Male setback four years, no projection scale
- Male (Special Risk): 60% RP2000 Disabled Male setback four years / 40% Annuitant White Collar with no setback, no projection scale

**Rates of Disability:**

Disability rates are used to measure the probabilities of active participants becoming disabled.

% Becoming Disabled Within Next Year - Line-of-Duty				
Sample Age	All Others		Special Risk Class	
	Male	Female	Male	Female
20	0.000%	0.000%	0.010%	0.000%
25	0.001%	0.001%	0.010%	0.004%
30	0.001%	0.001%	0.010%	0.004%
35	0.001%	0.001%	0.010%	0.004%
40	0.001%	0.001%	0.020%	0.040%
45	0.004%	0.001%	0.060%	0.040%
50	0.006%	0.006%	0.140%	0.050%
55	0.006%	0.006%	0.100%	0.080%
60	0.010%	0.013%	0.140%	0.150%
65	0.010%	0.010%	0.260%	0.150%

% Becoming Disabled Within Next Year - Non-Duty				
Sample Age	All Others		Special Risk Class	
	Male	Female	Male	Female
20	0.000%	0.000%	0.020%	0.000%
25	0.010%	0.010%	0.020%	0.020%
30	0.010%	0.010%	0.030%	0.020%
35	0.020%	0.010%	0.030%	0.030%
40	0.020%	0.020%	0.030%	0.030%
45	0.080%	0.060%	0.030%	0.060%
50	0.160%	0.100%	0.080%	0.110%
55	0.250%	0.160%	0.050%	0.110%
60	0.300%	0.260%	0.050%	0.110%
65	0.100%	0.080%	0.050%	0.110%

**Rates of Termination from Active Employment:**

These rates do not apply to participants eligible for Normal Retirement and do not include separation on account of death or disability. Termination rates are used to measure the probabilities of participants terminating employment for other reasons. During the select period, the rates are based on the number of years of service regardless of age. Thereafter, during the ultimate period, termination rates are based on age. In addition, any employees terminating with at least 6 years of service (8 years of service for those hired after June 30, 2011) and who are within ten years from Normal Retirement are assumed to commence monthly pension benefits and, thus, become eligible to accept retiree medical coverage.

<b>% Separating Within Next Year - Regular Class</b>										
<b>Years of Service</b>	<b>Male</b>									
	<b>Attained Age</b>									
	<b>20</b>	<b>25</b>	<b>30</b>	<b>35</b>	<b>40</b>	<b>45</b>	<b>50</b>	<b>55</b>	<b>60</b>	<b>65</b>
<b>0</b>	32.8%	27.2%	25.8%	25.8%	24.4%	24.4%	23.4%	27.4%	27.4%	27.4%
<b>1</b>	25.4%	18.5%	15.4%	14.3%	12.6%	12.5%	12.2%	12.2%	12.2%	12.2%
<b>2</b>	22.7%	17.2%	14.0%	12.8%	12.0%	11.6%	10.7%	10.7%	10.7%	10.7%
<b>3</b>	18.4%	14.6%	13.2%	12.6%	10.7%	10.3%	9.4%	9.3%	9.3%	9.3%
<b>4</b>	15.8%	12.7%	11.8%	10.9%	9.0%	8.8%	7.9%	7.8%	7.8%	7.8%
<b>5</b>	11.7%	9.7%	8.8%	8.5%	7.4%	6.8%	6.0%	6.8%	6.8%	6.8%
<b>6</b>	11.1%	8.5%	7.8%	7.5%	6.7%	6.5%	5.5%	5.4%	5.4%	5.4%
<b>7</b>	11.1%	8.4%	7.1%	6.8%	6.2%	6.0%	5.3%	5.2%	5.1%	5.1%
<b>8</b>	11.0%	7.7%	6.4%	6.2%	5.8%	5.1%	4.6%	4.4%	4.3%	4.3%
<b>9</b>	10.0%	6.3%	5.5%	5.3%	5.3%	5.1%	4.6%	4.3%	4.2%	4.2%
<b>10 or more</b>	9.8%	6.2%	4.7%	4.2%	3.0%	2.7%	3.0%	4.5%	5.3%	3.7%

<b>Years of Service</b>	<b>Female</b>									
	<b>Attained Age</b>									
	<b>20</b>	<b>25</b>	<b>30</b>	<b>35</b>	<b>40</b>	<b>45</b>	<b>50</b>	<b>55</b>	<b>60</b>	<b>65</b>
<b>0</b>	30.3%	26.6%	25.4%	25.4%	24.4%	24.4%	23.2%	23.2%	23.2%	23.2%
<b>1</b>	25.8%	19.8%	16.9%	15.9%	14.0%	13.9%	13.4%	13.4%	13.4%	13.4%
<b>2</b>	22.1%	17.1%	14.5%	13.5%	12.1%	11.9%	11.0%	11.0%	11.0%	11.0%
<b>3</b>	17.4%	13.0%	11.6%	11.2%	10.0%	9.8%	8.8%	8.7%	8.7%	8.7%
<b>4</b>	15.4%	12.9%	11.3%	10.9%	9.1%	8.8%	8.4%	8.3%	8.3%	8.3%
<b>5</b>	13.5%	10.7%	9.4%	9.0%	7.0%	6.7%	6.2%	6.1%	6.1%	6.1%
<b>6</b>	11.4%	9.7%	8.7%	8.0%	6.5%	6.5%	5.9%	5.8%	5.8%	5.8%
<b>7</b>	11.3%	9.2%	8.1%	7.8%	6.3%	6.1%	5.5%	5.4%	5.4%	5.4%
<b>8</b>	10.5%	7.8%	7.1%	6.8%	6.1%	5.8%	5.5%	5.4%	5.4%	5.4%
<b>9</b>	10.2%	7.1%	6.5%	6.2%	5.0%	4.7%	4.6%	4.5%	4.5%	4.5%
<b>10 or more</b>	11.6%	5.3%	5.4%	4.6%	3.3%	3.0%	3.0%	3.0%	3.0%	3.0%

Rates of Termination from  
Active Employment (Continued):

% Separating Within Next Year - Senior Management Service Class										
Years of Service	Male									
	Attained Age									
	20	25	30	35	40	45	50	55	60	65
0	8.5%	8.5%	8.5%	8.5%	8.5%	8.5%	8.5%	8.5%	8.5%	8.5%
1	21.0%	17.5%	15.5%	14.6%	14.1%	14.1%	14.1%	14.1%	14.1%	14.1%
2	21.0%	17.5%	15.5%	14.6%	14.1%	14.1%	14.1%	14.1%	14.1%	14.1%
3	19.5%	18.5%	17.7%	17.1%	16.7%	16.4%	16.2%	16.0%	16.0%	16.0%
4	15.5%	14.9%	14.5%	13.6%	12.9%	12.6%	12.4%	12.3%	12.2%	12.2%
5	10.9%	10.5%	10.0%	9.7%	9.3%	8.6%	8.2%	8.1%	8.0%	8.0%
6	10.6%	10.3%	9.8%	9.3%	9.0%	8.7%	8.4%	8.3%	8.1%	8.1%
7	10.5%	10.2%	9.7%	9.2%	8.8%	8.5%	8.3%	8.1%	8.0%	8.0%
8	9.6%	9.5%	9.1%	8.8%	8.5%	8.3%	8.1%	8.0%	7.9%	7.8%
9	6.6%	6.6%	6.3%	6.1%	5.9%	5.7%	5.6%	5.4%	5.3%	5.3%
10 or more	4.8%	4.8%	4.1%	3.6%	3.2%	2.9%	3.0%	3.1%	3.5%	2.6%
Years of Service	Female									
	Attained Age									
	20	25	30	35	40	45	50	55	60	65
0	8.5%	8.5%	8.5%	8.5%	8.5%	8.5%	8.5%	8.5%	8.5%	8.5%
1	15.5%	13.0%	11.8%	11.1%	10.8%	10.8%	10.8%	10.8%	10.8%	10.8%
2	18.3%	16.0%	14.7%	13.8%	13.4%	13.2%	13.2%	13.2%	13.2%	13.2%
3	17.1%	16.2%	15.5%	15.0%	14.6%	14.3%	14.1%	14.0%	14.0%	14.0%
4	12.1%	11.3%	10.5%	9.9%	9.4%	9.0%	8.7%	8.6%	8.5%	8.5%
5	12.1%	11.3%	10.5%	9.9%	9.4%	9.0%	8.7%	8.6%	8.5%	8.5%
6	10.9%	10.6%	10.1%	9.7%	9.4%	9.1%	8.8%	8.7%	8.5%	8.5%
7	10.3%	10.1%	9.6%	9.2%	8.8%	8.6%	8.4%	8.2%	8.1%	8.1%
8	7.7%	7.6%	7.1%	6.8%	6.5%	6.2%	6.0%	5.9%	5.8%	5.7%
9	7.4%	7.4%	6.9%	6.5%	6.1%	5.8%	5.5%	5.3%	5.1%	5.1%
10 or more	4.8%	4.8%	3.9%	3.2%	2.7%	2.4%	2.1%	1.9%	1.9%	1.9%



Rates of Termination from  
Active Employment (Continued):

% Separating Within Next Year - Special Risk Class										
Years of Service	Male									
	Attained Age									
	20	25	30	35	40	45	50	55	60	65
0	21.4%	20.6%	20.6%	20.6%	20.6%	20.6%	20.6%	20.6%	20.6%	20.6%
1	10.3%	9.8%	9.5%	8.8%	8.0%	7.3%	6.5%	5.8%	5.3%	5.3%
2	8.6%	8.1%	7.7%	7.4%	6.8%	6.0%	5.3%	4.7%	4.7%	4.7%
3	8.4%	7.9%	7.5%	7.2%	6.7%	6.0%	5.3%	4.7%	4.7%	4.7%
4	7.5%	7.0%	6.7%	6.5%	6.0%	5.5%	5.0%	4.6%	4.6%	4.6%
5	5.3%	5.3%	5.3%	5.3%	4.8%	4.3%	3.8%	3.3%	3.3%	3.3%
6	5.2%	5.2%	5.2%	5.1%	4.6%	4.1%	3.6%	3.2%	3.2%	3.2%
7	3.1%	3.1%	3.1%	3.1%	3.1%	3.1%	3.1%	3.1%	3.1%	3.1%
8	2.9%	2.9%	2.9%	2.9%	2.9%	2.9%	2.9%	2.9%	2.9%	2.9%
9	2.6%	2.6%	2.6%	2.6%	2.6%	2.6%	2.6%	2.6%	2.6%	2.6%
10 or more	2.3%	2.3%	2.1%	2.0%	1.9%	1.8%	1.8%	1.8%	1.8%	1.8%
Years of Service	Female									
	Attained Age									
	20	25	30	35	40	45	50	55	60	65
0	21.3%	21.3%	21.3%	21.3%	21.3%	21.3%	21.3%	21.3%	21.3%	21.3%
1	15.5%	14.2%	13.2%	12.2%	11.2%	10.2%	9.2%	8.4%	8.4%	8.4%
2	12.3%	11.6%	10.6%	9.6%	8.6%	7.6%	6.6%	5.8%	5.8%	5.8%
3	10.3%	9.8%	9.3%	8.8%	8.3%	7.6%	6.6%	5.6%	5.6%	5.6%
4	9.7%	9.2%	8.7%	8.4%	7.6%	7.0%	6.4%	5.4%	5.4%	5.4%
5	6.1%	6.1%	6.1%	6.1%	6.1%	6.1%	6.1%	5.3%	5.3%	5.3%
6	5.9%	5.9%	5.9%	5.9%	5.9%	5.9%	5.9%	5.1%	5.1%	5.1%
7	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
8	4.2%	4.2%	4.2%	4.2%	4.1%	4.1%	4.1%	4.1%	4.1%	4.1%
9	4.2%	4.2%	4.2%	4.1%	4.1%	4.1%	4.0%	4.0%	4.0%	4.0%
10 or more	1.9%	1.9%	1.7%	1.5%	2.5%	2.5%	1.6%	4.0%	4.0%	4.0%

**General Price Inflation:**

Long term general price inflation is assumed to be 2.50% per year.

**Salary Increases:**

These Rates are used to measure changes in salary. Salary increase rates are shown in the following table and are the same as used in the July 1, 2016 actuarial valuation of the Florida Retirement System. Rates shown below include 2.50% general price inflation.

Salary Increases in the Coming Year						
Combined Years of Service	Regular Class		Special Risk Class		Senior Management Service Class	
	Female	Male	Female	Male	Female	Male
0	7.80%	7.60%	7.60%	7.80%	0.00%	0.00%
1	5.50%	5.70%	5.90%	6.50%	6.60%	7.10%
2	5.00%	5.30%	5.60%	6.10%	6.20%	6.40%
3	5.00%	5.10%	5.60%	6.00%	6.20%	6.10%
4	4.90%	5.00%	5.60%	6.00%	5.30%	5.40%
5	4.80%	4.90%	5.60%	6.00%	5.30%	5.00%
6	4.80%	4.80%	5.60%	5.90%	5.30%	5.00%
7	4.70%	4.80%	5.50%	5.70%	4.80%	4.70%
8	4.60%	4.70%	5.50%	5.70%	4.80%	4.70%
9	4.60%	4.70%	5.50%	5.70%	4.80%	4.70%
10	4.60%	4.50%	5.50%	5.60%	4.80%	4.70%
11	4.50%	4.50%	5.30%	5.60%	4.80%	4.70%
12	4.40%	4.50%	5.30%	5.40%	4.80%	4.70%
13	4.40%	4.50%	5.20%	5.40%	4.80%	4.70%
14	4.40%	4.50%	5.20%	5.30%	4.80%	4.30%
15	4.40%	4.40%	5.20%	5.30%	4.80%	4.30%
16	4.40%	4.40%	5.00%	5.30%	4.80%	4.30%
17	4.40%	4.40%	5.00%	5.30%	4.30%	4.30%
18	4.30%	4.30%	5.00%	5.30%	4.30%	4.30%
19	4.30%	4.30%	5.00%	5.20%	4.30%	4.30%
20	4.30%	4.30%	5.00%	5.20%	4.30%	4.30%
21	4.20%	4.30%	5.00%	5.10%	4.30%	4.30%
22	4.20%	4.30%	5.00%	5.00%	4.30%	4.30%
23	4.10%	4.20%	5.00%	5.00%	4.30%	4.30%
24	4.10%	4.10%	5.10%	5.40%	4.30%	4.30%
25	4.00%	4.00%	5.10%	5.40%	4.30%	4.00%
26	3.90%	4.00%	5.10%	5.40%	4.30%	4.00%
27	3.80%	4.00%	5.10%	5.40%	4.30%	4.00%
28	3.70%	3.90%	5.10%	5.40%	4.30%	4.00%
29	4.00%	4.40%	5.10%	5.40%	5.20%	4.70%
30	4.00%	4.40%	5.10%	5.40%	5.20%	4.70%
31	4.00%	4.40%	5.10%	5.40%	5.20%	4.70%

**Rates of Retirement:**

Rates of retirement are used to measure the probabilities of an eligible active employee retiring during the next year. The following rates are applicable to employees retiring from active employment without regard to whether or not the employee first entered the DROP program.

Unreduced Retirement Annual Rates								
Sample Ages	Regular Class - Tier I				Regular Class - Tier II			
	Male		Female		Male		Female	
	First Eligibility	Subsequent Eligibility	First Eligibility	Subsequent Eligibility	First Eligibility	Subsequent Eligibility	First Eligibility	Subsequent Eligibility
40	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
45	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
50	4.0%	2.0%	4.0%	2.0%	4.0%	2.0%	4.0%	2.0%
55	5.0%	2.0%	5.0%	2.0%	5.0%	2.0%	5.0%	2.0%
60	5.0%	5.0%	7.0%	5.0%	5.0%	5.0%	7.0%	5.0%
65	10.0%	13.0%	15.0%	15.0%	11.0%	11.0%	15.0%	12.0%
70	10.0%	13.0%	10.0%	15.0%	10.0%	13.0%	10.0%	15.0%
75	10.0%	13.0%	10.0%	15.0%	10.0%	13.0%	10.0%	15.0%
80	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
85	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Unreduced Retirement Annual Rates								
Sample Ages	Special Risk Class - Tier I				Special Risk Class - Tier II			
	Male		Female		Male		Female	
	First Eligibility	Subsequent Eligibility	First Eligibility	Subsequent Eligibility	First Eligibility	Subsequent Eligibility	First Eligibility	Subsequent Eligibility
40	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
45	4.0%	3.0%	4.0%	3.0%	4.0%	3.0%	4.0%	3.0%
50	7.0%	4.0%	7.0%	4.0%	7.0%	4.0%	7.0%	4.0%
55	6.0%	5.0%	7.0%	5.0%	6.0%	5.0%	7.0%	5.0%
60	6.0%	7.0%	6.0%	7.0%	6.0%	7.0%	6.0%	7.0%
65	30.0%	20.0%	30.0%	20.0%	30.0%	20.0%	30.0%	20.0%
70	100.0%*	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
75	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
80	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
85	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Unreduced Retirement Annual Rates								
Sample Ages	Senior Management Service Class - Tier I				Senior Management Service Class - Tier II			
	Male		Female		Male		Female	
	First Eligibility	Subsequent Eligibility	First Eligibility	Subsequent Eligibility	First Eligibility	Subsequent Eligibility	First Eligibility	Subsequent Eligibility
40	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
45	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
50	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
55	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
60	10.0%	5.0%	10.0%	5.0%	10.0%	5.0%	10.0%	5.0%
65	5.0%	15.0%	5.0%	15.0%	10.0%	15.0%	10.0%	15.0%
70	5.0%	15.0%	5.0%	15.0%	5.0%	15.0%	5.0%	15.0%
75	5.0%	15.0%	5.0%	15.0%	5.0%	15.0%	5.0%	15.0%
80	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
85	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

**Rates of Retirement (DROP):**

For the purpose of this valuation, employees entering the DROP program are not considered as retiring. DROP participants are treated as active employees until their DROP exit date, which is assumed to be 3 years after DROP entry. The tables below show applicable retirement rates in the year of assumed DROP exit. These rates were developed utilizing FRS assumptions for DROP entry at first retirement eligibility.

Retirement Annual Rates - Year of DROP Exit								
Sample Ages	Regular Class - Tier I		Regular Class - Tier II		Special Risk Class - Tier I		Special Risk Class - Tier II	
	Male	Female	Male	Female	Male	Female	Male	Female
40	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
45	0.0%	0.0%	0.0%	0.0%	3.0%	3.0%	3.0%	3.0%
50	2.0%	2.0%	2.0%	2.0%	27.7%	24.0%	27.7%	24.0%
55	25.5%	29.6%	25.5%	29.6%	56.1%	35.6%	56.1%	35.6%
60	60.0%	54.0%	60.0%	54.0%	11.9%	11.9%	56.5%	26.8%
65	53.1%	57.5%	64.2%	65.2%	24.7%	24.7%	24.7%	24.7%
70	17.8%	19.7%	17.8%	19.7%	100.0%	100.0%	100.0%	100.0%
75	17.8%	19.7%	17.8%	19.7%	100.0%	100.0%	100.0%	100.0%
80	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Retirement Annual Rates - Year of DROP Exit				
Sample Ages	Senior Management Service Class - Tier I		Senior Management Service Class - Tier II	
	Male	Female	Male	Female
40	0.0%	0.0%	0.0%	0.0%
45	0.0%	0.0%	0.0%	0.0%
50	5.0%	5.0%	5.0%	5.0%
55	45.0%	45.0%	45.0%	45.0%
60	57.5%	57.5%	57.5%	57.5%
65	62.2%	62.2%	74.0%	74.0%
70	28.4%	28.4%	28.4%	28.4%
75	28.4%	28.4%	28.4%	28.4%
80	100.0%	100.0%	100.0%	100.0%

## Health Coverage Assumptions

**Coverage Acceptance Rates:** Not everyone who retires will accept coverage and pay the required premium upon retirement. Following are the assumptions as to future Medical Coverage Acceptance Rates among eligible employees. Lapse rates presented below reflect the discontinuation of coverage under the County's core plan.

Coverage Acceptance and Lapsing Rates			
	Ret Only	Ret + 1	Total
At Retirement (eligible for subsidy, before age 65)	40%	40%	80%
At Retirement (eligible for subsidy, age 65 and after)	36%	36%	72%
At Retirement (not eligible for subsidy, before age 65)	10%	10%	20%
At Retirement (not eligible for subsidy, age 65 and after)	9%	9%	18%
Vested Termination (eligible for subsidy)	15%	10%	25%
Vested Termination (not eligible for subsidy)	0%	0%	0%
Lapsing at age of 65	10%	10%	10%
Continuation of Survivors	N/A	50%	50%

**Expected Retiree Contributions:**

Members are required to make monthly contributions in order to maintain their coverage. For the purpose of this Valuation, a weighted-average has been used with weights derived from the current distribution of members among plans offered. Such average expected retiree premium contributions (without regard to any subsidy from the County) for the first year are shown in the table below. All retirees and dependents age 65 or over are assumed to enroll in Medicare Part B. Amounts below are gross of any discounts provided by the Employer.

Average Premium (as of Valuation Date)		
Coverage	Non-Medicare	Medicare
<b>Retiree</b>	\$ 753.00	\$ 753.00
<b>Spouse</b>	\$ 666.00	\$ 666.00

**Administrative Expenses:**

Administrative expenses are included in the Per Capita Costs.

**Per Capita Costs:**

As described in Section D of this Report, expected monthly Per Capita (or per person) Costs were developed for the year following the Actuarial Valuation Date.

**Healthcare Cost Trend Rates:**

Monthly Per Capita Costs (PCC) and Retiree Contributions for Medical and Rx benefits are assumed to increase each year according to the rates set forth in the following table. For example, the Per Capita Costs for the calendar year 2017 are expected to increase by 7.25% over the 2016 costs.

The trend rates for the costs of benefits and premiums for the years after 2020 are based on the forecasting model built and published (December 2007, and updated September 2016) in *Modeling Long-Term Health Care Cost Trends* sponsored by the Society of Actuaries and authored by Prof. Thomas E. Getzen. The long term rates reflect a 2.50% assumed ultimate inflation rate, 25% resistance level for health care spending as a percent of GDP and a 20-year convergence period.

The rates presented below illustrate assumed medical cost inflation in the absence of the Excise Tax on High-Cost Employer Health Plans.

Annual Medical/Rx Increase Rates					
Year of	Medical/Rx	Premium	Year of	Medical/Rx	Premium
2017	7.25%	0.00%*	2030	5.08%	5.08%
2018	7.00%	7.00%	2031	4.91%	4.91%
2019	6.75%	6.75%	2032	4.80%	4.80%
2020	6.50%	6.50%	2033	4.72%	4.72%
2021	6.25%	6.25%	2034	4.66%	4.66%
2022	6.05%	6.05%	2035	4.61%	4.61%
2023	5.86%	5.86%	2036	4.58%	4.58%
2024	5.66%	5.66%	2037	4.49%	4.49%
2025	5.47%	5.47%	2038	4.41%	4.41%
2026	5.27%	5.27%	2039	4.33%	4.33%
2027	5.08%	5.08%	2040	4.24%	4.24%
2028	5.08%	5.08%	2041	4.24%	4.24%
2029	5.08%	5.08%	Thereafter	4.24%	4.24%

\* For the retiree premium only. The spouse premium was increased by 12.8% to reflect the actual premium increase.

## Consideration of Health Care Reform

### *Summary of Selected Provisions and Their Effects*

**Excise Tax on High-Cost Employer Health Plans (aka “Cadillac” Tax) Effective 1/1/2020:** 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 certain thresholds. The thresholds for active employees and Medicare eligible retirees are \$10,200 for single coverage or \$27,500 for family coverage in 2018 and increased with inflation to 2020. Respective thresholds for retirees not eligible for Medicare are \$11,850 and \$30,950 for year 2018 and increased with inflation to 2020. Many plans are below the thresholds today, but are likely to exceed them in the next decade. The thresholds will be indexed at CPI-U, which is lower than the medical inflation rates affecting the cost of the plans. There is considerable uncertainty about how the tax would be applied, and considerable latitude in grouping of participants for tax purposes. Combining early retiree and Medicare eligible retiree costs is allowed and can keep plans under the thresholds for a longer period of time.

Since the health plan is a self-insured plan, should the excise tax ever become applicable, the Employer will be the coverage provider paying the tax which will increase the cost of providing coverage to employees and retirees. The County will need to decide whether to reduce benefits to avoid the tax, or how the additional cost will be allocated between the employer and the members. The GASB does not permit recognition of future plan changes in a valuation, so the net claims growth assumption (reflected in the long-term trends) will be based on the current plan design.

Based on the assumptions used for this valuation, premiums applicable to retirees are projected to become subject to the excise tax as soon as it becomes effective in 2020. Although the amount of tax initially assessed on the health insurance premiums is not expected to be significant, it will increase over time. We are modeling the impact of the tax by adding 0.42% to the assumed medical trend rates for 2020 and all subsequent years.

**Comparative Effectiveness Research Fee:** PPACA established the Patient-Centered Outcomes Research Institute (the Institute) to conduct research to determine which of two or more treatments works best when applied to actual patients in the “real world.” The work of the Institute is partially funded by a fee on health insurers and self-funded group health plans. This fee is assumed to be reflected in the initial cost and with future changes included in the trend rates.

**Health Insurance Industry Fee:** This fee on health insurers (including HMOs) starts at \$8 billion in 2014 and increases year over year before reaching \$14.3 billion in 2018. After 2018, it will continue to increase with premium growth. The fee, which applies only to insured plans, will be based on each insurer’s share of the taxable health insurance premium base (among all health insurers of U.S. health risks). This does not affect the cost of providing benefits through the self-insured program.

**Implementation of the new requirements:** The County’s health plans appear to already be in compliance with the provisions of the Affordable Care Act. Thus, no additional consideration has been given in the valuation of these liabilities as of this valuation.

We have not identified any other specific provision of health care reform that would be expected to have a significant impact on the measured obligation. As additional guidance on the legislation is issued we will review and monitor the impact.

## Miscellaneous and Technical Assumptions

<b>Roll Forward Disclosure:</b>	Since the measurement date and the valuation date are the same, no update procedures were used to roll forward the total OPEB liability from the September 30, 2016 valuation date to the September 30, 2016 measurement date.
<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>Pay Increase Timing:</b>	End of (fiscal) year. This is equivalent to assuming that reported pays represent amounts paid to members during the year starting on the valuation date.
<b>Decrement Timing:</b>	Decrements of all types are assumed to occur at the middle of the year.
<b>Decrement Operation:</b>	All decrements operate simultaneously. Disability and termination rates cease upon eligibility for normal or early retirement.
<b>Decrement Relativity:</b>	Decrement rates are treated as absolute rates of decrement.
<b>Adjustments:</b>	None.



## Assumption, Method, and Plan Changes

### Assumption Changes:

1. The discount rate was changed from 3.71% as of the beginning of the measurement period to 3.06% as of September 30, 2016 (based on the Long-Term Municipal Bond rate). This change increased the Total OPEB Liability.

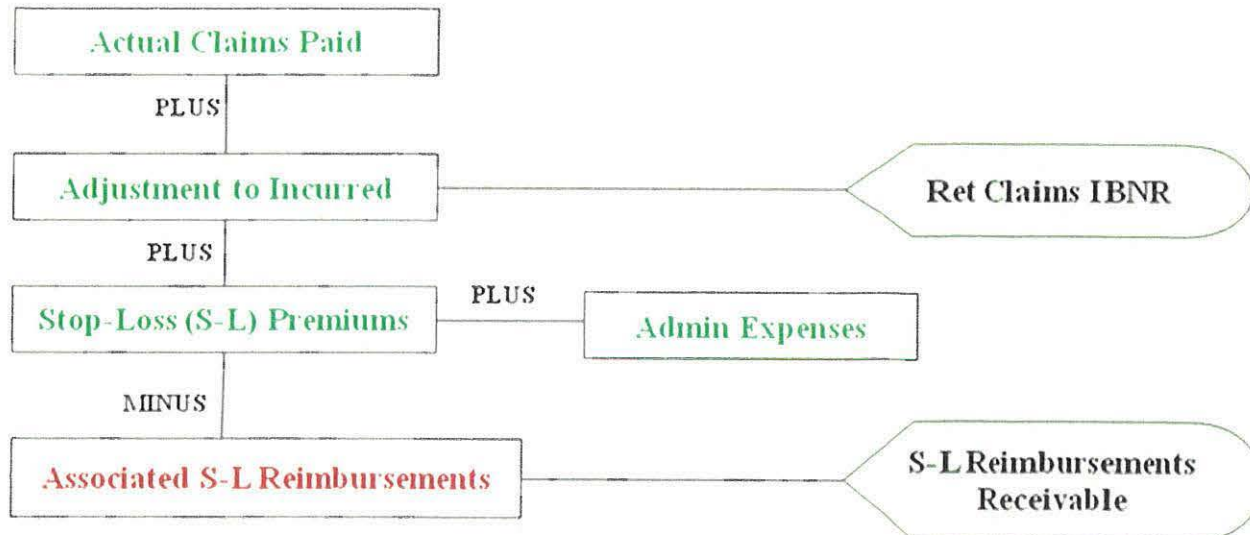
## SECTION G

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### DEVELOPMENT OF ACTUAL AMOUNT OF BENEFITS PAID

## Self-Insured Component

For the self-insured health plan, the following diagram and explanation illustrate the steps in developing the actual employer paid benefit as the actual claims and other costs for retirees and their dependents offset by the actual retiree premiums paid.



- A. Actual Claims Paid. Obtain the actual claims paid for retirees and their dependents during the current fiscal year. The health plans' third party administrator or claims payer should be able to provide this information.
  
- B. Adjustment to Incurred. Add the increase in retiree IBNR to the retiree paid claims.
  1. Obtain the total dollar amount of the IBNR held as a liability on your books as of the end of the last fiscal year (for the whole self-insured health plan).
  2. Obtain the actual claims paid for all covered members during the last fiscal year.
  3. Obtain the total IBNR % (IBNR as % of Paid Claims) by dividing B1 by B2.
  4. Obtain the actual claims paid for retirees and their dependents during the last fiscal year. The health plans' third party administrator or claims payer should be able to provide this information.
  5. Obtain the approximate dollar amount of the retiree IBNR at the end of the last fiscal year by multiplying B3 by B4.
  6. Obtain the approximate dollar amount of the retiree IBNR at the end of the current fiscal year by multiplying B3 by A.
  7. The increase in the retiree IBNR is B6-B5.
  
- C. Stop-Loss Premiums. Obtain the stop-loss premiums paid for retirees and their dependents (not the grand total of stop-loss premiums) for the current fiscal year. Use the premiums rates multiplied by the retiree counts for the year.
  
- D. Administrative Expenses. Obtain the retiree allocable share of administrative expenses paid for the current fiscal year. Fees which are expressed per person can be multiplied by the retiree

counts. Flat fees can be allocated to retiree costs using any reasonable method such as by head counts or claims.

E. Associated S-L Reimbursement.

1. If any of the retiree claims included in Actual Claims Paid (Item A above) were reimbursed to the Employer by the stop-loss insurance carrier during the current fiscal period, they should be included here as Associated S-L Reimbursements and treated as a subtractive item in the formula. This way, excess claims which are reimbursed are not included in the net resulting Employer Contribution.
2. If any of the retiree claims included in Actual Claims Paid (Item A above) were reimbursed or expected to be reimbursed to the Employer by the stop-loss insurance carrier after the close of the fiscal year but prior the end of the next fiscal year, they too should be included here as an Associated S-L Reimbursement. It is presumed that such a reimbursement would be treated as a receivable on the books of the Employer as of the end of the current fiscal year under the concept of short term differences.

After these steps are followed to obtain the amount of benefit paid by the employer, be sure to offset this amount with the dollar amount of contributions paid by retirees or other health trust on their behalf (e.g., HIS or VEBA) for medical coverage. This net result represents the Employer paid benefit for the self-insured component of the total program.

## SECTION H

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### GLOSSARY OF TERMS

## Glossary of Terms

<b>Accrued Service</b>	Service credited under the system that was rendered before the date of the actuarial valuation.
<b>Actuarial Accrued Liability (AAL)</b>	The AAL is the difference between the actuarial present value of all benefits and the actuarial value of future normal costs. The definition comes from the fundamental equation of funding which states that the present value of all benefits is the sum of the Actuarial Accrued Liability and the present value of future normal costs. The AAL may also be referred to as "accrued liability" or "actuarial liability."
<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 Equivalent</b>	A single amount or series of amounts of equal actuarial value to another single amount or series of amounts, computed on the basis of appropriate actuarial assumptions.
<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 Present Value (APV)</b>	The amount of funds currently required to provide a payment or series of payments in the future. The present value is determined by discounting future payments at predetermined rates of interest and probabilities of payment.
<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.

## Glossary of Terms

<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>Amortization Method</b>	The method used to determine the periodic amortization payment may be a level dollar amount, or a level percent of pay amount. The period will typically be expressed in years, and the method will either be “open” (meaning, reset each year) or “closed” (the number of years remaining will decline each year).
<b>Amortization Payment</b>	The amortization payment is the periodic payment required to pay off an interest-discounted amount with payments of interest and principal.
<b>Cost-of-Living Adjustments</b>	Postemployment benefit changes intended to adjust benefit payments for the effects of inflation.
<b>Cost-Sharing Multiple-Employer Defined Benefit OPEB Plan (cost-sharing OPEB plan)</b>	A multiple-employer defined benefit OPEB plan in which the OPEB obligations to the employees of more than one employer are pooled and OPEB plan assets can be used to pay the benefits of the employees of any employer that provides benefits through the OPEB plan.
<b>Covered 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.
<b>Discount Rate</b>	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: <ol style="list-style-type: none"><li>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</li><li>2. The present value of the benefit payments not in (1) above, discounted using the municipal bond rate.</li></ol>

## Glossary of Terms

### 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.

### Long-Term Expected Rate of Return

The long-term rate of return is the expected return to be earned over the entire trust portfolio based on the asset allocation of the portfolio.

### Money-Weighted Rate of Return

The money-weighted rate of return is a method of calculating the returns that adjusts for the changing amounts actually invested. For purposes of GASB Statement No. 74, the money-weighted rate of return is calculated as the internal rate of return on OPEB plan investments, net of OPEB plan investment expense.

### 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.

### Non-Employer Contributing Entities

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.



## Glossary of Terms

<b>Normal Cost</b>	The portion of the actuarial present value allocated to a valuation year is called the normal cost. For purposes of application to the requirements of this Statement, the term normal cost is the equivalent of service cost.
<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>	The total OPEB expense is the sum of the following items that are recognized at the end of the employer's fiscal year: <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>
<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.
<b>Unfunded Actuarial Accrued Liability (UAAL)</b>	The UAAL is the difference between actuarial accrued liability and valuation assets.
<b>Valuation Assets</b>	The valuation assets are the assets used in determining the unfunded liability of the plan. For purposes of GASB Statement Nos. 74 and 75, the valuation assets are equal to the market value of assets.



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