

# JEFFREY R. SMITH, CPA, CGFO, CGMA

Clerk of Circuit Court & Comptroller  
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Telephone: (772) 770-5185



TO: Board of County Commissioners

FROM: Elissa Nagy, Finance Director

THROUGH: Jeffrey R. Smith, Clerk of Circuit Court and Comptroller

DATE: April 16, 2021

**SUBJECT: GRS Actuarial Services Agreement Renewal**

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On September 15, 2015 the Board awarded the actuarial services for the Board of County Commissioners Other Post-Employment Benefits (OPEB) to Gabriel, Roeder, Smith and Company (GRS) and entered into an agreement for six years. That agreement covered the time frame October 1, 2015 through September 30, 2021 and included the option for one additional two-year renewal term. Staff is satisfied with the services from GRS and requests to exercise the two-year renewal option to extend the agreement through September 30, 2023. The attached engagement letter details the services to be provided, which includes a full actuarial valuation of the County's OPEB plan on October 1, 2021, and maintained the same fees charged over the last 2-year cycle.

**Recommendation:**

Staff recommends the Board to approve the attached document and authorize the Chairman to execute them.



April 15, 2021

Ms. Elissa Nagy  
Finance Director  
Indian River County Clerk of Circuit Court and Comptroller  
1840 25th Street,  
Vero Beach, FL 32960-3365

**Re: OPEB Engagement Letter for Indian River County – Additional 2-Year Extension**

Dear Ms. Nagy:

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

A Fully compliant actuarial valuation will be performed as of October 1, 2021, as well as various abbreviated letter reports as needed for the fiscal years ending September 30, 2022 and September 30, 2023. For the fully compliant valuation, we will prepare a formal Report including an Executive Summary, tables or charts presenting the development of the results, descriptions of all primary actuarial assumptions and methods, and summaries of the plan benefits.

The Actuarial Valuation Report will be performed assuming that the current prefunded plan will continue. The Valuation Report will present results of the implicit and explicit subsidy provided by the County to all employees. All Indian River County employees are covered under self-insured medical plan. The reports will provide actuarial figures necessary for compliance with GASB Statement Nos. 74 and 75 for all OPEBs, presented in total, without any breakouts by enterprise fund or by function/program. Indian River County will be responsible for determining any such breakouts and for the narrative material required for the Notes.

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

Please note that while the Actuarial Report may be sent to the County electronically for the County's convenience, only the signed (electronically or manually) Report constitutes the County's record copy. The County management has responsibility for the financial statements and all representations contained therein. Management also has responsibility for preventing and detecting fraud, for adopting

Ms. Elissa Nagy

April 15, 2021

Page 2

sound accounting policies and establishing and maintaining effective internal control to maintain the reliability of the financial statements and to provide reasonable assurances against the possibility of misstatements that are material to the financial statements. This responsibility extends to the use or misuse of the results of our OPEB Actuarial Valuation Report, presentations at on-site meetings and during telephone conferences. The Report and presentation materials may be provided to parties other than the County only in their entirety and only with the permission of the County.

After the Valuation Date of October 1, 2021, we will prepare a data request letter. The County will compile and transmit all employee and retiree census data as requested in electronic form and in the format requested. The County will collect and transmit all documentation and other information requested regarding the other post-employment benefits provided.

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

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

GRS certifies that it and those related entities of GRS as defined by Florida law are not on the Scrutinized Companies that Boycott Israel List, created pursuant to s. 215.4725 of the Florida Statutes, and are not engaged in a boycott of Israel. In addition, if this agreement is for goods or services of one million dollars or more, GRS certifies that it and those related entities of GRS as defined by Florida law are not on the Scrutinized Companies with Activities in Sudan List or the Scrutinized Companies with Activities in the Iran Petroleum Energy Sector List, created pursuant to Section 215.473 of the Florida Statutes and are not engaged in business operations in Cuba or Syria.

The County may terminate this Contract if GRS is found to have submitted a false certification as provided under section 287.135(5), Florida Statutes, been placed on the Scrutinized Companies with Activities in Sudan List or the Scrutinized Companies with Activities in the Iran Petroleum Energy Sector List, or been engaged in business operations in Cuba or Syria, as defined by section 287.135, Florida Statutes.

The County may terminate this Contract if GRS, including all wholly owned subsidiaries, majority-owned subsidiaries, and parent companies that exist for the purpose of making profit, is found to have been



placed on the Scrutinized Companies that Boycott Israel List or is engaged in a boycott of Israel as set forth in section 215.4725, Florida Statutes.

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

- (a) Keep and maintain public records required by the County to perform the service.
- (b) 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 or as otherwise provided by law.
- (c) Ensure that public records that are exempt or confidential and exempt from public records disclosure requirements are not disclosed except as authorized by law for the duration of the contract term and following completion of the contract if GRS does not transfer the records to the County.
- (d) Upon completion of the contract, transfer, at no cost, to the County all public records in possession of GRS or keep and maintain public records required by the County to perform the service. If GRS transfers all public records to the County upon completion of the contract, GRS shall destroy any duplicate public records that are exempt or confidential and exempt from public records disclosure requirements. If GRS keeps and maintains public records upon completion of the contract, GRS shall meet all applicable requirements for retaining public records. All records stored electronically must be provided to the County, upon request from the County's custodian of public records, in a format that is compatible with the information technology systems of the County.

**(e) IF GRS HAS QUESTIONS REGARDING THE APPLICATION OF CHAPTER 119, FLORIDA STATUTES, TO GRS'S DUTY TO PROVIDE PUBLIC RECORDS RELATING TO THIS CONTRACT, CONTACT THE CUSTODIAN OF PUBLIC RECORDS AT (772) 226-1424, [PublicRecords@ircgov.com](mailto:PublicRecords@ircgov.com), 1801 27th Street, Vero Beach, Florida 32960.**



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

	Plan Funding	Plan Reporting	Employer Accounting and Reporting	Fee*
		GASB 74	GASB 75	
<b>10/1/2021 Actuarial Valuation (Date)</b>				
Two Full Reports (Funding and Accounting)	For YE 9/30/22 and YE 9/30/23	NA	For YE 9/30/22	\$ 17,000
Roll-forward Update Letters	NA, unless significant changes	Two Update Letters: For YE 9/30/22 and for YE 9/30/23	One Letter: For YE 9/30/23	\$ 6,000

\$ 23,000

*\* The off-year of this engagement presumes a "roll-forward", whereby the previous year's valuation would be adjusted so as to apply to the projected year. GASB standards permit fully compliant valuations every other year unless significant changes occur, in which case a new fully compliant valuation must be performed. If a fully compliant valuation were required or requested by the County in the intermediate year(s), the cost would be developed by adjusting the initial actuarial report fee for inflation.*

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

We stand behind these results and are available to assist management in other strategic areas for controlling the OPEB liabilities. This letter of engagement is for a two-year period. Please return this signed agreement and retain a copy for your records. We thank you and other County officials for your confidence in our firm and look forward to working with you in the years ahead.

Should you have any questions regarding these matters, please do not hesitate to contact us.

Sincerely,



Nicolas Lahaye, FSA, MAAA  
 Consultant and Actuary  
 Gabriel, Roeder, Smith & Company

NL/bm

For the Indian River County

\_\_\_\_\_  
 Print Name (Authorized Party)

\_\_\_\_\_  
 Signature

