

Board of County Commissioners

Sumter County, Florida

910 N. Main Street, Room 201 • Bushnell, FL 33513-6146 • Phone (352) 793-0200 • FAX: (352) 793-0207
Website <http://sumtercountyfl.gov>



April 13, 2010

Mr. James J. Rizzo, ASA, MAAA
Senior Consultant and Actuary
Gabriel, Roeder, Smith & Company
301 East Las Olas Blvd.
Ft. Lauderdale, FL 33301-2254

Dear Mr. Rizzo:

The purpose of this letter is to provide a 60 day notice of termination to the Letter of Engagement with Gabriel, Roeder, Smith & Company approved by the Board of County Commissioners on August 14, 2007.

The Board recently received proposals through a Request for Proposals process for actuarial services in order to have all actuarial work performed by one company. The County uses DemandStar to post all bids and proposal opportunities. We did not receive a proposal from your company.

Sincerely,

Doug Gilpin, Chairman
Board of Sumter County Commissioners

Richard "Dick" Hoffman, Dist 1
(352) 753-1592 or 793-0200
910 N. Main Street
Bushnell, FL 33513

Doug Gilpin, Dist 2
Chairman
(352) 793-0200
910 N. Main Street
Bushnell, FL 33513

Don Burgess, Dist 3
Vice Chairman
(352) 753-1592 or 793-0200
910 N. Main Street
Bushnell, FL 33513

Garry Breeden, Dist 4
(352) 793-0200
910 N. Main Street
Bushnell, FL 33513

Randy Mask, Dist 5
2nd Vice Chairman
Office: (352) 793-0200
Home: (352) 793-3930
910 N. Main Street
Bushnell, FL 33513

Bradley S. Arnold,
County Administrator
(352) 793-0200
910 N. Main Street
Bushnell, FL 33513-6146

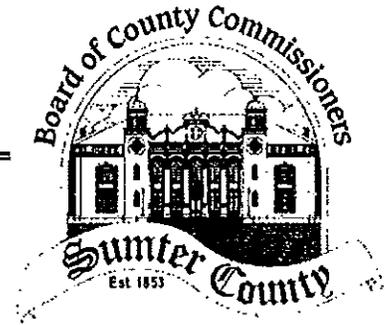
Gloria R. Hayward, Clerk & Auditor
(352) 793-0215
209 North Florida Street
Bushnell, FL 33513

County Attorney
The Hogan Law Firm
Post Office Box 485
Brooksville, Florida 34605

Board of County Commissioners

Sumter County, Florida

209 North Florida Street, Suite 3 • Bushnell, FL 33513-6146 • Phone (352) 793-0200 • FAX: (352) 793-0207
SunCom: 665-0200 • Website <http://sumtercountyfl.gov>



August 16, 2007

James J. Rizzo, ASA, MAAA
Senior Consultant and Actuary
Gabriel, Roeder, Smlth & Company
301 East Las Olas Boulevard
Suite 200
Ft. Lauderdale, FL 33301-2254

Re: GASB 45 OPEB Engagement Letter

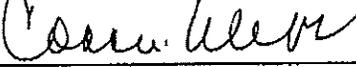
Dear Mr. Rizzo:

Enclosed for your records is a copy of the above-referenced letter which was approved by the Board of Sumter County Commissioners at their meeting of August 14, 2007. If there are any questions, please do not hesitate to contact our office.

Very truly yours,

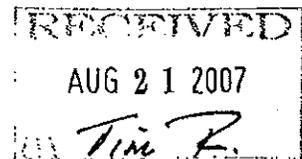
BOARD OF SUMTER COUNTY COMMISSIONERS

GLORIA R. HAYWARD
CLERK & AUDITOR

By 

Connie Webb
Deputy Clerk

Enclosure
c/Sandra Howell (w/o encl)



Richard "Dick" Hoffman, Dist 1
Vice Chairman
(352) 753-1592 or 793-0200
209 North Florida Street
Bushnell, FL 33513

Doug Gilpin, Dist 2
(352) 793-0200
209 North Florida Street
Bushnell, FL 33513

Michael E. Francis, Dist 3
Chairman
(352) 753-1592 or 793-0200
209 North Florida Street
Bushnell, FL 33513

Garry Broeden, Dist 4
(352) 793-0200
209 North Florida Street
Bushnell, FL 33513

Randy Mask, Dist 5
Office: (352) 793-0200
Home: (352) 793-3930
209 North Florida Street
Bushnell, FL 33513

Bradley S. Arnold
County Administrator
(352) 793-0200
209 North Florida Street, Suite 3
Bushnell, FL 33513-6146

Gloria R. Hayward, Clerk & Auditor
(352) 793-0215
209 North Florida Street
Bushnell, FL 33513

Randall N. Thornton
County Attorney
(352) 793-4040 P.O. Box 58
Lake Panasoffkee, FL 33538



Gabriel Roeder Smith & Company
Consultants & Actuaries

301 East Las Olas Blvd.
Suite 200
Ft. Lauderdale, FL 33301-2254

954.527.1616 phone
954.525.0083 fax
www.gabrielroeder.com

July 19, 2007

Board of County Commissioners
Sumter County, Florida
209 North Florida Street
Bushnell, FL 33513

Re: GASB 45 OPEB Engagement Letter

Dear Commissioners:

You requested that we provide you with a fee quote for actuarial services relating to GASB 45 OPEB, primarily retiree medical coverage. We are responding in the form of this Engagement Letter. By signing and dating this Engagement Letter, we and the County agree to the scope, work product and terms described herein. This Engagement Letter is fashioned after those for auditing services, for consistency.

We will perform the actuarial calculations necessary for the County to implement GASB Statement No. 45 for the fiscal year beginning October 1, 2008, the latest year of implementation per GASB (assuming the County is a Phase 2 entity). The actuarial valuation will be performed as of October 1, 2006 (or other valuation date if changed later). We will prepare a formal Report including 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. In addition, GRS will be available to meet with the County's Staff, Boards or other Committee/Commission, as necessary for education, presentation of results, planning, and other purposes. The Valuation will be performed assuming that the current unfunded pay-as-you-go plan would continue. The Actuarial Report will contain a base Actuarial Valuation of all subsidies provided by the County, including the employees of all constitutional offices covered with the same single group health plan vendor (which is self insured).

The work papers for this engagement are the property of Gabriel, Roeder, Smith & Company (GRS). Although, we may be requested to make certain work papers available to auditors or to regulators pursuant to authority given to it 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 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 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.

Commissioners
July 19, 2007
Page 2

Upon execution of this letter of engagement, 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. Once we have received all requested materials (preferably no more than four weeks after the County receives the data request letter), we will provide a draft report within eight to ten weeks.

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.

In the event that GRS is requested pursuant to subpoena or other legal process to produce its documents relating to this engagement in judicial or administrative proceedings to which GRS is not a party, the County shall reimburse GRS at standard billing rates for its professional time and expenses, including reasonable attorney's fees, incurred in responding to such request.

The base fees for the services described is \$15,000. The fee will be billed on a monthly basis for work in progress. The balance of the fee described (if any) is due upon the delivery of the draft report. This fee includes formal teleconferences. On-site meetings, if desired, will be billed at the rate of \$2,000 per meeting, unless arranged to coincide with another client's meeting in the area. Additional studies 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 will be automatically renewed as of each October 1st, with fee adjustment per inflation. Either party may terminate, non-renew or propose amendments to the engagement upon written notice 60 days in advance.

Please return this signed agreement and retain a copy for your records. We thank you and the other County officials for the confidence you have placed in our firm.

Should you have any questions regarding these matters, please do not hesitate to contact us. We look forward to serving as your OPEB Actuary and Consultant.

Sincerely,

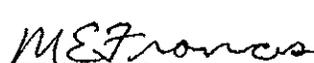


James J. Rizzo, ASA, MAAA
Senior Consultant and Actuary
Gabriel, Roeder, Smith & Company

JJR/lb

Sumter County Board of County Commissioners

MICHAEL E FRANCIS
Print Name (Chairman)

 8/14/07
Signature Date