



Memorandum

To: County Managers, Finance Directors and Personnel Directors
From: Todd Green
Date: April 4, 2016
Subject: Actuarial Studies for Separation Allowance

Cavanaugh Macdonald Consulting, LLC (CMC) is offering County governments a chance to have actuarial studies performed for the Special Separation Allowance for Law Enforcement officers. The NCACC is no longer in the practice of endorsing vendors on your behalf. However, CMC has served as the endorsed vendor of the NCACC to provide actuarial services in the past and we look forward to providing you with the same high quality service and reasonable fees. The separation allowance is a locally administered benefit provided to certain law enforcement officers upon their departure from service. The actuarial study of this benefit is required for those units of government wishing to retain or gain their Excellence in Finance Reporting by GFOA. Other Counties have been encouraged by their auditors to have the study done to assess their potential liability.

CMC is a premier actuarial consulting firm founded solely for the purpose of providing actuarial services to state and local governments.

Effective for financial statements for fiscal years beginning after June 15, 2013, GASB Statement No. 67 replaced the requirements of GASB Statement No. 25, *Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans*, and No. 50, *Pension Disclosures*. In addition, for fiscal years beginning after June 15, 2014, GASB Statement No. 68 replaced the requirements of GASB Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers*, as well as the requirements of Statement No. 50. Both Statements 67 and 68 relate to pension plans that are administered through **qualified trusts**. The requirements of GASB Statements 25, 27 and 50 remain applicable to pension plans that are not administered through qualified trusts covered by the scope of GASB Statements 67 and 68. **Therefore, the fee structure on the following page will still apply. However,** if you currently administer the Special Separation Allowance for Law Enforcement Officers through a qualified trust please contact Todd Green at Cavanaugh Macdonald Consulting, LLC for the fee information related to the preparation of the actuarial valuation report required under GASB Statements 67 and 68.



If you decide to engage CMC, you will be required to enter into an agreement directly with CMC by signing the accompanying document.

NOTE: You must complete ALL of the attached forms in order to participate, even if you participated in previous years. The cost to your county and the procedures you must follow are outlined below:

1. The base fee for all Counties will be **\$150** per local unit, **plus \$1.75 per covered employee and retiree.**
2. Counties must return the 2016 Memorandum of Participation to Cavanaugh Macdonald Consulting, LLC indicating your desire to participate and the Data Collection Sheet Part I providing asset and retiree data **no later than June 15, 2016** to receive the pricing above. If the forms are received after June 15th, the base fee will be **\$300** per local unit, **plus \$3.50 per covered employee and retiree.** Part II of the Data Collection Sheet does not have to be returned by June 15th. Return Part II as soon as this information is available to you.
3. Counties are to receive copies of their actuarial reports by **July 31, 2016** and will be billed by Cavanaugh Macdonald Consulting, LLC. **DO NOT PAY CAVANAUGH MACDONALD CONSULTING, LLC IN ADVANCE.**
4. Counties may negotiate other services with Cavanaugh Macdonald Consulting, LLC outside the scope of the agreement. The hourly rates for consulting services are \$116 to \$396.

NOTE: Part I of the forms must be returned by June 15, 2016. Part II may be returned as soon as the information is available. Unless Cavanaugh Macdonald Consulting, LLC has questions, you may not hear from them until you get your copy of the actuarial report.

The main contact person with Cavanaugh Macdonald Consulting, LLC is Joey Walls or Todd Green (NCSSALEO@CavMacConsulting.com). If you have questions, please contact Joey at (678) 388-1704 or Todd at (678) 388-1705.

Cavanaugh Macdonald Consulting, LLC
3550 Busbee Parkway, Suite 250, Kennesaw, GA 30144
NCSSALEO@CavMacConsulting.com



**2016 MEMORANDUM OF PARTICIPATION
ACTUARIAL STUDY FOR
SEPARATION ALLOWANCE BENEFIT**

COUNTY: Yadkin
MAILING ADDRESS: PO Box 220
CITY: Yadkinville ZIP CODE: 27055
NAME: Colleen Rumpasch
TITLE: HR Coordinator
PHONE #: (336) 679-4200
EMAIL ADDRESS: crumpasch@yadkincountync.gov

On behalf of the unit government noted above, we agree to engage Cavanaugh Macdonald Consulting, LLC to perform an actuarial valuation of the Special Separation Allowance for Law Enforcement Officers. I understand that Cavanaugh Macdonald Consulting, LLC has been selected as the actuarial firm to perform the studies and may contact us to get additional information as needed.

I have read the terms listed on the cover memorandum that outlines conditions and fees of the contract related to reporting requirements under GASB Statements No. 25 and 27. I understand that if the Special Separation Allowance for Law Enforcement Officers is subject to the requirements of GASB Statement Nos. 67 and 68, another fee structure will apply. I also understand that **we will be billed directly by Cavanaugh Macdonald Consulting, LLC** and copies of the actuarial report will be emailed to our office by Cavanaugh Macdonald Consulting by July 31, 2016.

By signing this document I have accepted the terms and conditions outlined in the cover memorandum and agree to pay Cavanaugh Macdonald Consulting upon the completion of all work.

Signed this 12th day of April, 2016.

[Signature]
(SIGNATURE)

COUNTY MANAGER
(TITLE)

This instrument has been pre-audited
in the manner required by the Local
Government Budget and Fiscal Control
Act.

Digitally signed by Gary
DN: cn=Gary, o=Finance, ou=Yadkin Co,
email=ggroce@yadkincountync.gov, c=US
Date: 2016.04.20 13:23:50 -04'00'

NOTE: To avoid increased fees, please return this form by **June 15, 2016** if your County would like to participate in the 2016 actuarial study.

Cavanaugh Macdonald Consulting, LLC
3550 Busbee Parkway, Suite 250, Kennesaw, GA 30144
NCSSALEO@CavMacConsulting.com

RFP Number (If applicable):

Name of Vendor or Bidder:

Cavanaugh Macdonald Consulting LLC

**IRAN DIVESTMENT ACT CERTIFICATION
REQUIRED BY N.C.G.S. 143C-6A-5(a)**

As of the date listed below, the vendor or bidder listed above is not listed on the Final Divestment List created by the State Treasurer pursuant to N.C.G.S. 143-6A-4.

The undersigned hereby certifies that he or she is authorized by the vendor or bidder listed above to make the foregoing statement.

Signature

Date

Todd Green

4-12-16
Principal Consulting Actuary

Printed Name

Title

Notes to persons signing this form:

N.C.G.S. 143C-6A-5(a) requires this certification for bids or contracts with the State of North Carolina, a North Carolina local government, or any other political subdivision of the State of North Carolina. The certification is required at the following times:

- When a bid is submitted
- When a contract is entered into (If the certification was not already made when the vendor made its bid)
- When a contract is renewed or assigned

N.C.G.S. 143C-6A-5(b) requires that contractors with the State, a North Carolina local government, or any other political subdivision of the State of North Carolina must not utilize any subcontractor found on the State Treasurer's Final Divestment List.

The State Treasurer's Final Divestment List can be found on the State Treasurer's website at the address www.nctreasurer.com/iran and will be updated every 180 days.