



Huntsville, Alabama

305 Fountain Circle
Huntsville, AL 35801

Cover Memo

Meeting Type: City Council Regular Meeting **Meeting Date:** 8/22/2024

File ID: TMP-4484

Department: Finance

Subject:

Type of Action: Approval/Action

Resolution authorizing the Mayor to enter into an Agreement between the City of Huntsville and Cavanaugh Macdonald Consulting, LLC for Actuarial services on the City's Post-Retirement Medical Plan.

Resolution No.

Finance Information:

Account Number: 1000-13-13100-515730-00000000-

City Cost Amount: \$ 2,500.00

Total Cost: \$ 2,500.00

Special Circumstances:

Grant Funded: \$ N/A

Grant Title - CFDA or granting Agency: N/A

Resolution #: N/A

Location: (list below)

Address: N/A

District: District 1 ☐ District 2 ☐ District 3 ☐ District 4 ☐ District 5 ☐

Additional Comments:

RESOLUTION NO. 24- _____

BE IT RESOLVED by the City Council of the City of Huntsville, Alabama, that the Mayor be, and he is hereby authorized on behalf of the City of Huntsville, a Municipal Corporation in the State of Alabama, to enter to an Agreement by and between The City of Huntsville and Cavanaugh Macdonald Consulting, LLC which said agreement is substantially in words and figures similar to that certain document attached hereto and identified as an "Agreement between the City of Huntsville and Cavanaugh Macdonald Consulting, LLC, for Actuarial services on the City's Post-Retirement Medical Plan," consisting of two (2) pages with the date of August 22, 2024, appearing on the margin of the first page, together with the signature of the President or President Pro Tem of the City Council, an executed copy of said document being permanently kept on file in the Office of the City Clerk of the City of Huntsville, Alabama.

ADOPTED this the 22nd day of August, 2024.

President of the City Council of
the City of Huntsville, Alabama

APPROVED this the 22nd day of August, 2024.

Mayor of the City of
Huntsville, Alabama

**2024 MEMORANDUM OF PARTICIPATION (MOP) FOR GASB 74/75 REPORT OF
THE OTHER POSTEMPLOYMENT BENEFITS (OPEB) PLAN**

LOCAL UNIT: City of Huntsville, Alabama

MAILING ADDRESS: 305 Fountain Circle

CITY: Huntsville, Alabama ZIP CODE: 35801

NAME OF REPORT RECIPIENT: ☐ Mr. ☒ Ms. (choose one) Penny L. Smith

PHONE #: (256) 427-5062 TITLE: Director of Finance

E-MAIL: penny.smith@huntsvilleal.gov

On behalf of the employer noted above, we have agreed to engage Cavanaugh Macdonald Consulting, LLC to prepare a GASB 74/75 report for September 30, 2024 financial reporting of the employer's OPEB Plan. This report will use the September 30, 2022 OPEB valuation prepared by Cavanaugh Macdonald as the basis. Liabilities and assets will be re-measured and rolled forward to September 30, 2024.

I understand that **we will be billed directly by Cavanaugh Macdonald Consulting, LLC** and a copy of the actuarial report will be e-mailed to the person listed above by Cavanaugh Macdonald Consulting. I understand the fees are as follows:

GASB OPEB Interim Year Valuation: \$2,500 (All OPEB Plans)

Interested employers must return this Memorandum of Participation indicating their desire to participate along with all requested information as outlined on the following page. The new standard requires a considerable amount of additional work. The report will be completed within **8 weeks after the receipt of all information requested**.

If (1) your plan is not a single employer, defined benefit plan or (2) if your plan has discreetly presented component units or (3) if your plan has a special funding situation, additional fees may apply. Please contact us for a fee quote.


Authorized Signature

Signed this 8 day of August, 2024.

If you have questions about the form, please contact **Brandon Trieu** (BrandonT@CavMacConsulting.com) at Cavanaugh Macdonald Consulting, LLC at (678) 388-1724.

INFORMATION COLLECTION CHECKLIST FOR OPEB REQUEST

LOCAL UNIT: City of Huntsville, Alabama

UNIT'S RETIREMENT SYSTEM 3 LETTER CODE: ERS

Please provide a completed copy of this checklist to indicate the items being sent and the work being requested. This will help us verify receipt of all information and to be sure nothing was lost in transit.

I. Indicate the work being requested through this agreement (choose all that apply):

- ☐ GASB 74/75 valuation report which will provide information for September 30, 2024 financial disclosure. This report will use the 9/30/2022 OPEB valuation prepared by Cavanaugh Macdonald as the basis. Liabilities will be re-measured and rolled forward to 9/30/2024.
- ☐ Provide additional information related to a split of the liabilities, OPEB expense or proportionate share amounts for the component units. Additional fees will apply based on our hourly rates.

II. Check the boxes below to indicate which items are included in this submission. If multiple submissions are needed because some of the information is not immediately available, please provide an updated checklist with each submission.

- ☐ Executed 2024 Memorandum of Participation (MOP)
- ☐ Have the plan provisions changed since the prior valuation? ☐ Yes ☐ No (choose one) If yes, provide the new plan provision information detailing the new OPEB benefit eligibility conditions. Please note, the roll forward method mentioned above may not be allowed. If this is the case, we will contact you regarding a full valuation.
- ☐ The following information is needed about the 9/30/2024 assets:
 - 1. A copy of the September 30, 2024 Trust statement detailing the cash flows for the year and asset classes for the year-end market value balance. This must be an annual statement, not the monthly September statement.
 - 2. Premiums and/or claims paid outside of the Trust for fiscal year ending September 30, 2024. We provided a template for your use in collecting this information as an attachment in the data request email. Email me at BrandonT@CavMacConsulting.com if you need another copy. If the template is not fully completed, additional information may be requested and delays may occur. If the information is not accurate, rework may be needed and additional fees may incur.
 - 3. A copy of the plan's funding policy.
 - 4. A copy of the plan's investment policy including the target allocation and 10 year expected real rate of return for each asset class. Indicate (1) the inflation assumption included in each rate and (2) whether the rates are arithmetic or geometric.
 - 5. The long-term rate of return currently adopted for the Plan's funding is _____% for year.
- ☐ Provide the OPEB disclosure information from your 9/30/2023 Audited Financial Report (or CAFR).
- ☐ Provide the name, phone number and email address of the person to contact should any questions arise regarding the information submitted.

Name: Penny L. Smith Phone: (256) 427-5062

E-mail: penny.smith@huntsvilleal.gov