

# Memo

To: White Lake Township Board of Trustees  
From: Elaine Homeister  
Date: 01/16/25  
Re: Other Post Employment Benefits (OPEB) Actuarial Report

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Since 2018, GASB\* 74/75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions (OPEB), requires a full actuarial report every two years and each off year, requires an interim actuarial report.

In addition, the State of Michigan PA 202 requires we report our OPEB and Pension information using their uniform assumptions, thus requiring additional actuarial data and cost.

For the last six years, we have used The Howard E. Nyhart Company, Inc. and requested a quote for the 2024 and 2025 reporting years.

The quoted costs are:

12/31/24	Full GASB 74/75 Actuarial Valuation	\$9,700
	PA 202 Uniform Assumptions Disclosure	\$1,800
12/31/25	Interim GASB 74/75 Actuarial Valuation	\$4,400
	PA 202 Uniform Assumptions Disclosure	\$1,900

The cost increase from 2022/2023 is minimal, \$1,100 and \$600 respectively.

As the requirement for these reports have been and will continue to be an ongoing expense, I request the Board grants the Supervisor the authority to enter into the agreement for the 2024/2025 reporting years.

\*Government Accounting Standards Board



**THE HOWARD E. NYHART COMPANY, INC. ("NYHART")  
SERVICE AGREEMENT ("AGREEMENT")**

**Agreement Between Nyhart, and:**

**Client Name:** Charter Township of White Lake

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**Primary Contact Name:** Elaine Homeister

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**Primary Contact Address:** 7525 Highland Road

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White Lake, MI 48383

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**Primary Contact Phone:** (248) 698-3300 ext. 159

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**Primary Contact Fax:** (248) 698-7613

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**Primary Contact Email:** [ehomeister@whitelaketwp.com](mailto:ehomeister@whitelaketwp.com)

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**Services to be provided by Nyhart**

All services to be provided by Nyhart are subject to your full cooperation and prompt submission of complete and accurate information. Nyhart will rely on any and all information that you provide pursuant to this Agreement and on file at our office as to accuracy and completeness. Nyhart will have no responsibility to verify such information and no liability for errors or omissions as a result of relying on such information, except to the extent required by generally accepted professional standards and practices. Nyhart is not a law firm or a public accounting firm and does not provide legal or tax advice.

For the fiscal year ending December 31, 2024, Nyhart will provide the following actuarial services:

- Data collection (including census data) and analysis
- Preparation of a comprehensive actuarial valuation report
- Disclosures as required by GASB 74/75
- An appendix within the GASB 74/75 report, which will include required figures as calculated under the PA 202 uniform assumptions. This does not include any modeling for corrective action plans. If modeling is required, an additional fee will be proposed under a separate engagement.

For the fiscal year ending December 31, 2025, Nyhart will provide the following actuarial services:

- Interim GASB 74/75 actuarial valuation report
- An appendix within the GASB 74/75 report, which will include required figures as calculated under the PA 202 uniform assumptions.

**Fees for services provided by Nyhart**

<b>FYE</b>	<b>Valuation Types</b>	<b>Fees</b>
12/31/2024	Full GASB 74/75 Actuarial Valuation	\$9,700
	PA 202 Uniform Assumptions Disclosure	\$1,800
12/31/2025	Interim GASB 74/75 Actuarial Valuation	\$4,400
	PA 202 Uniform Assumptions Disclosure	\$1,900



If a GASB results breakdown by employee groups is required additional fees will apply. The additional cost will be a 10% of project fee increase for a two group breakdowns plus an additional 1% for each extra group breakdown requested. The additional fee will be limited to 1/3 of the current year's fees.

The fee for the interim GASB 74/75 report will be revised if there have been any significant events subsequent to our last full update. Examples of significant events include, but are not limited to, large premium rate and enrollment changes, material benefit design amendments, and participant contribution policy modification.

Client will be invoiced prior to the beginning of the project for 50% of the estimated fees for services outlined above. Once the labor accrued towards completion of the services exceeds 50% of the estimated fees, billing will occur monthly until the completion of the project. Each invoice is due upon receipt. If any invoice remains unpaid for longer than 90 days from the date of the invoice, Nyhart may either suspend the provision of the Services until payment is received, or terminate this Agreement with immediate effect. Failure of Nyhart to exercise any remedy set forth above shall not prevent Nyhart from doing so with respect to any future unpaid invoice or taking any other actions available to Nyhart under law.

Please select the method of delivery of your invoice:

- I would like my invoice sent electronically to the primary contact's email address.
- I would like my invoice sent via regular mail to the attention of the primary contact at the address shown on the first page.

For an alternative invoice recipient, please provide their information below. If this section is left blank, we will send the invoice to the primary contact's email address on file or address shown above.

Invoice recipient name \_\_\_\_\_

Invoice recipient email address \_\_\_\_\_

Invoice recipient address \_\_\_\_\_

There will be additional fees for revisions to preliminary or final results that are due to:

- Incorrect information provided to us, typical examples include material changes to census data, changes to eligibility requirements or employer subsidies. The additional fee will be limited to 1/3 of the current year's fee for this type of revision.
- Changes to actuarial assumptions requested by the client that are expected to need more than four hours of labor to update the results. The additional fee will be based on billed labor in excess of four hours at our current hourly rates.

**Additional services available if requested by Client**

In addition to GASB 74/75 services, Nyhart offers the following additional services. Fee estimates will be provided upon request. Please visit [www.nyhart.com](http://www.nyhart.com) or contact your Nyhart consultant for more information.

- Health Care Reform financial impact consulting
- Actuarial Value and Minimum Value determination
- Section 105(h) non-discrimination testing
- Calculation of self-funded and COBRA premium rates
- Incurred But Not Reported (IBNR) Reserve calculations
- Medicare Part D Attestation
- What-if Modeling for health plan design and carrier changes

- Defined Benefit & Pension consulting and administration
- Defined Contribution, 401(k) & 403(b)
- Flex Accounts – FSA, HRA, & HSA consulting and administration

### **Relationship of the Parties**

The legal relationship between Client and Nyhart shall be exclusively that of principal and agent. The parties hereto specifically agree and acknowledge that Nyhart shall not:

- Have discretionary authority over any aspect of the Plan;
- Be a fiduciary;
- Be responsible for ensuring that the Plan complies with any requirement to which the Plan is subject, or be liable to the Plan, Client, or any person if the Plan fails to comply with any such requirement;
- Have any duty or authority to enforce the payment of any contribution owed under the Plan;
- Be responsible for the adequacy of the trust established as part of the Plan, or be liable for any benefits owed under the Plan;
- Exercise discretion as to any Plan function; or
- Have any obligation to perform any service not specified in this Agreement or otherwise agreed to in writing by the parties (regardless of whether such service may be considered “customary” services to be provided by Nyhart).

Client agrees that Nyhart shall use all information and data supplied by or on behalf of the Client without having independently verified the accuracy or completeness of it except to the extent required by generally accepted professional standards and practices. If any documentation or information supplied to Nyhart at any time is incomplete, inaccurate or not up-to-date, or its provision is unreasonably delayed, Nyhart will not be responsible for any delays or liability arising therefrom, and will be entitled to charge the Client in respect of any resulting additional work actually carried out.

The Client further understands that the failure to provide, or cause to provide, complete, accurate, up-to-date, and timely documentation and information to Nyhart, whether intentional or by error, could result in an impairment of Nyhart’s services.

### **Client Responsibilities and Representations**

The Client has general responsibilities with respect to the Plan, including

- Providing all information required by Nyhart to perform its services under this Agreement on a timely basis;
- Serving as fiduciary for the Plan;
- Communicating Plan details to employees and answering employee questions;
- Ensuring adequate funding of the Plan; and
- Authorizing plan disbursements and ensuring accuracy of information provided.

### **Dispute Resolution**

Nyhart and Client agree that before commencing any action or proceeding with respect to any dispute between the parties arising out of or relating to this Agreement or the Services they first shall attempt to settle such dispute through consultation and negotiation in good faith and in a spirit of mutual cooperation. Any such dispute will be submitted in writing to a panel of one (1) senior executive or official of each of Nyhart and Client, who will promptly meet and confer in an effort to resolve such dispute. Each party’s representative will be identified by notice to the other, and may be changed at any time thereafter by notice to the other. Any mutually agreed decisions of the executives will be final and binding on the parties. In the event the executives are unable to resolve any dispute within thirty (30) days after



submission to them, either party may then refer such dispute to mediation by a mutually acceptable mediator to be chosen by Nyhart and Client within forty-five (45) days after written notice by either party demanding mediation. Neither party may unreasonably withhold consent to the selection of a mediator. All communications and discussions in furtherance of this paragraph shall be treated as confidential settlement negotiations, which are not subject to discovery. The costs of the mediator shall be shared equally, but each party shall pay its own attorneys' fees.

Any dispute which cannot be resolved between the parties through negotiation, mediation or other form of alternative dispute resolution within six months of the date of the initial demand for mediation by one of the parties may then be submitted to a court of competent jurisdiction. To facilitate an expeditious and economical judicial resolution of such dispute, Nyhart and Client agree to waive and not to demand a trial by jury, and not to include any employee, officer, director or trustee of either as a party, in any action, proceeding or counterclaim relating to such dispute. Nothing in this section will prevent either party from resorting to judicial proceedings if interim relief from a court is necessary to prevent serious and irreparable injury to that party or to others. Any claim, action or proceeding against Nyhart will be barred unless Client initiates the dispute resolution procedures outlined below within one year of first discovering the act, error or omission that is the basis for such claim.

### **Indemnification and Limitation of Liability**

The liability of Nyhart, in tort, contract or otherwise, to Client, a Plan and the officers, directors, trustees, employees or shareholders of any of them, and to any other third party, for all claims arising in connection with or contributed to by this Agreement and the Services (including without limitation multiple claims arising out of or based upon the same act, error or omission, or series of continuous, interrelated or repeated acts, errors or omissions) shall not include loss of profit or incidental, consequential, indirect, punitive or similar damages and shall be further limited to the amount of fees for Services received by Nyhart under this Agreement for the twelve (12) months immediately preceding the act, error or omission upon which such liability is based. Nothing in this paragraph shall apply to any liability which has been finally determined to have arisen from willful misconduct or fraud on the part of Nyhart or which cannot lawfully be limited, modified or excluded.

Client shall indemnify Nyhart from and against any and all claim, loss, liability or damage (including attorney's fees) which Nyhart may incur by reason of its good faith service delivery to Client.

Nyhart shall indemnify the Client from and against any and all claim, loss, liability or damage (including attorney's fees) which the Client may incur: (i) arising out of any material breach by Nyhart of any of its material obligations, representations or warranties contained in this Agreement; or (ii) arising out of Nyhart's negligence, gross negligence or willful, fraudulent, or criminal misconduct associated with its performance of services under this Agreement. The parties further recognize that clerical errors and variations may occur. When discovered, they will be corrected or adjusted by Nyhart, in accordance with its normal procedures, to the extent reasonable and possible.

**Acceptance**

The items and conditions of this Agreement are agreed to and accepted by Client on behalf of the Plan. This Agreement is effective only when signed by all parties.

**Charter Township of White Lake**

**By:** \_\_\_\_\_

**Printed Name:** \_\_\_\_\_

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

**Nyhart**

**By:** \_\_\_\_\_

**Printed Name:** \_\_\_\_\_

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