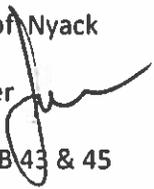


June 8, 2015

To: Board of Trustees, Village of Nyack

From: John Malesardi, Treasurer 

Subject: Actuarial Services-GASB 43 & 45

For the past few years, the Auditors ( Neil O'Sullivan) has commented in the management letter that the Village is not in compliance with the above mentioned accounting requirements that analyzes and details the Villages costs to provide medical cost to employees in their retirement years.

Attached is the proposal to put the Village in compliance with GASB 43 & 45 at a cost of \$ 4,500 for the initial analysis, with annual updates at a cost of \$ 1,500.

I have done business with Aquarius Capital in my similar duties at another municipality, and recommend them highly.



AQUARIUS  
CAPITAL

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June 8, 2015

Mr. John Malesardi  
Treasurer  
Village of Nyack  
9 North Broadway  
Nyack, NY 10960

Re: Proposal for Actuarial Consulting Services (GASB 43 & 45)

Dear Mr. Malesardi:

As a follow up to our discussion, below is a proposal for services for providing the Village of Nyack ("Company") with a post employment benefits valuation under Government Accounting Standards Board (GASB) No. 43 & 45. If you agree with this proposal, then please feel free to sign the bottom of page 2 of this letter confirming agreement on "Proposal Acceptance" section and forward a copy via email or fax to (914) 933-0064. If you have any questions or wish to review in more detail, please contact me at (914) 933-0063.

The terms and conditions of this agreement are as follows:

- **Proposed Fee:** We are proposing a flat fee of \$4,500 for a full valuation, which would be payable upon completion of the project.
- **Completion Time:** Estimated completion is approximately three to four weeks based on availability of information. Exhibit I of this proposal has a data request.
- **Objective:** This report is provided to the Company for the purpose of calculation results under GASB 45. Information in this report may not be appropriate to use for other purposes. Aquarius does not intend to benefit from the overall results of the report and we assume no duty, liability or obligation to parties that use this work for other reasons other than its intention, i.e., reporting of GASB45 for financial statements.
- **Liability:** Company agrees to indemnify, defend and hold harmless Aquarius from any third party liability except liability arising from Aquarius' gross negligence. In any action or proceeding to enforce this agreement, Aquarius shall be entitled to recover its reasonable attorneys' fees and costs from Company.

Proposed Work Plan

Below is a summary of our proposed work plan.

- **Data Gathering** – We provided a sample data request to be used for collecting information for the valuation. See Exhibit I for a sample data request. We anticipate obtaining information electronically for individual record information on active and retired employees and their dependents.
- **Review of Assumptions** – We will provide suggestions and recommendations on the assumptions to be used for the GASB 43/45 valuation unless you have already identified and selected certain assumptions (e.g., GASB 25/27).
- **Valuation Report** - Valuation report will include GASB 43/45 financial results along with a summary of assumptions, plan provisions and demographic census information used in the valuation. If desired, we can review report in detail with you and adjust valuation accordingly if needed.



June 8, 2015  
Page 2

- Sensitivity Analysis - As part of the valuation, we will include sensitivity analysis based on variations of discount interest rates and health care cost inflation (trend) increases.

Please note that we did not provide a proposed end date since we understand that each organization will be able to provide information at different rates depending on access to their data. We anticipate the completion time above is based on receiving data items as outlined in Exhibit I.

If any questions, please call me at (914) 933-0063. Alternatively, please feel free to e-mail me at [michael.frank@aquariuscapiatal.com](mailto:michael.frank@aquariuscapiatal.com). Thank you for considering us for this opportunity. We look forward to potentially working with you.

Sincerely,

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Michael L. Frank, A.S.A., F.C.A., M.A.A.A.  
President and Actuary

Cc: Donald Rusconi – Aquarius Capital

Enclosure (Exhibit I)

**Proposal Acceptance:**

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Signature

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Name/Title

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Company

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Date