

Vicky Fay

From: S ROBINSON [robinson3507@bellsouth.net]
Sent: Tuesday, April 03, 2012 2:13 PM
To: Clerk@klfremms.org
Cc: don bock; ELIZABETH ELKOURY; robinson3507@bellsouth.net
Subject: Start up costs of LOSAP
Follow Up Flag: Follow up
Flag Status: Red

To Key Largo Fire Ems District Commissioners,

This is a summary of the start up costs for LOSAP,as per Mouton + Co. They are the Actuary for the Monroe County LOSAP that used to handle Key Largo Fire and Key Largo Volunteer Ambulance Corp.

As You know Bruce Stoll had conversations with them back in Sept 2011. The Summary I put together spells out the Process.Please keep in mind these costs are estimates based on going back to 2005 and are subject to change as plan changes.Also with talking to Nanette Mouton from Mouton +Co. she stated that a Feasibility Study could be done,however the cost could be up to \$10,000.00 or an Impact study could be done with the District setting a predetermined amount, and not to exceed that amount.

LOSAP (length of service awards program) is a simple pension plan intended for Volunteer Recruitment and Retention.Amount Paid out is directly related to years of service.

Thanks In Advance
Scott Robinson
786-586-6316

Summary Breakdown:

From: NSMouton@aol.com
To: bruce.stoll54@gmail.com
CC: gmoutonfsa@aol.com
Sent: 9/16/2011 10:17:54 A.M. Eastern Standard Time
Subj: LOSAP setup

September 16, 2011

Mr. Bruce A. Stoll

Administrator

Key Largo Fire & EMS Dist.

Subject: Start-up Costs for LOSAP for Key Largo

Dear Mr. Stoll:

4/3/2012

As we discussed in our telephone conversation, there are several items that are required to implement and maintain a LOSAP plan for the Key Largo Fire and EMS volunteers. These include legal, initial actuarial and administrative setup costs, ongoing actuarial and administrative costs and the ongoing actuarial funding costs for the benefits of the plan.

1. A legal plan document is required. If the intent of this plan is to mimic the existing plan of the County, than this may be as simple as using the County's existing LOSAP document with some modifications. We have contacted attorney Lowell Walters of the firm Gray-Robinson, whose predecessor had drafted the original document for Monroe County. His estimate is that to create a new plan document using Monroe County's plan as a base would likely cost between \$1,000 and \$6,000, with \$1,000 being more likely if the plan has relatively common provisions that can be implemented on their document. If the plan provisions are unusual than \$6,000 would be the more likely fee. We would work with Key Largo and the Plan Attorney to review the provisions and assumptions in the document. This fee would be billed separately from our administrative setup costs covered in the next paragraph. If you decide to proceed on this basis you will be contracting directly with Mr. Walters and his firm for all legal work. His contact information is:

Mr. Lowell Walters

GrayRobinson, P.A.

201 North Franklin Street, Suite 2200

Tampa, FL 33602

813-273-5000

Email: Lowell.Walters@gray-robinson.com

2. The setup costs for Mouton & Company would be approximately \$1,000 if we use the same provisions as the current Monroe plan. This would include inputting the census information for the participants and setting up the records keeping system.

3. The on-going administration of the plan would include the preparation of the Actuarial Valuation and state filings. This includes the annual reconciliation of participant data from the census provided by Key Largo to our previous participant records. Our fee for preparation of the actuarial valuation suitable for filing with Florida would be \$4,000. Additional actuarial consulting services would be billed by the hour, plus expenses. These may include plan benefit changes, consultations with the plan attorney or meetings with the Commission. My hourly rate is \$175 and Glenn's (the actuary) hourly rate is \$300. We would note that the Key Largo's normal costs as of 2005 (the last year they were active participants) were approximately \$27,000 for the Fire and EMS combined. Current costs could be much higher due to not having any assets at the start. For instance, the initial year of the Monroe plan had Key Largo costs at \$55,000 with 87 participants.

If the goal of Key Largo is to remain autonomous and to retain control over the administrative and financial aspects of the plan than we would not recommend re-entering the Monroe County plan. Mr. Walters indicated that the Monroe plan would need to be amended and we will be approaching Monroe County to recommend that the plan be updated.

Mr. Stoll, we look forward to working with you and the members of Key Largo fire and EMS departments to implement this LOSAP plan. Please review the above information and let us know if you have any questions.

Best Regards,

Nanette Mouton
Executive Vice President

Mouton & Company, Inc.

4/3/2012

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4/3/2012
