

*Hawley Consulting Group*  
Castle Town Square South  
4284 William Flynn Highway, Suite 302  
Allison Park, PA 15101  
Phone (412) 492-2060 \* Fax (412) 492-9875

February 2, 2015

Mr. Eugene J. Marraccini  
Director of Business Affairs  
Plum Borough School District  
900 Elicker Road  
Plum, PA 15239

**Re: GASB 45 Proposal**

Dear Gene:

The purpose of this letter is to present our proposal for completing a postretirement medical valuation for the Plum Borough School District (the District) under GASB 45.

This proposal will outline the scope of work to be performed, the timing associated with delivery of our services, and the associated fees.

**Scope of Work**

The Hawley Consulting Group will complete the following for the District:

- ◆ A GASB 45 valuation report for the District's postretirement medical liability. The valuation report will cover the fiscal years ending June 30, 2015 and June 30, 2016. The valuation report will include all of the necessary information to comply with GASB 45 including the Actuarial Accrued Liability, the Development of the ARC, the Annual OPEB Cost, the Contributions in relation to the ARC, and the Net OPEB Obligation. *2 yrs.*
- ◆ Any work necessary to comply with auditor requests. The project will not be deemed to be complete until the auditors have accepted the report.

**Timing**

Unless you request otherwise, we will provide a completed report prior to you by April 30, 2015.

*1/2*

Eugene J. Marraccini  
February 2, 2015  
Page 2

**Fees**

Our fee for completing a GASB 45 valuation report for the District will be \$7,000. This fee includes one introductory meeting where the valuation will be discussed and census data will be requested. This fee also includes one meeting to review the final report.

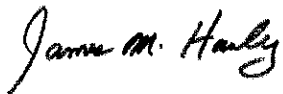
We agree not to exceed our fee unless the project is expanded and we are asked to perform additional services. If additional work outside the scope of this project is to be performed, we will discuss the project with you and agree on any fees in advance.

Examples of work that would be considered outside the scope of this project would be consulting work related to any potential plan design changes or additional meetings beyond those stipulated in the proposal. Plan design work or additional meetings, such as meetings with the Board or other interested parties, would be billed on an hourly basis. However, if you prefer, we could discuss and agree to a fixed fee in advance of any additional work being performed.

The above fee includes all expenses. You will not be billed extra for any expenses such as travel, lodging, postage, supplies, etc.

We appreciate the opportunity to provide GASB 45 valuation services for the District. If you have any questions, please feel free to contact me at (412) 492-2060.

Sincerely,



James M. Hawley, ASA, MAAA

*Hawley Consulting Group*

GASB 45

2/2