



HIDALGO COUNTY DEPARTMENT OF BUDGET & MANAGEMENT  
EMPLOYEE BENEFITS SECTION  
2818 S. BS HWY 281 ADMINISTRATION BUILDING  
EDINBURG, TX 78539  
PHONE#: (956) 318-2663 FAX#: (956) 318-2610

**MEMORANDUM**

TO: Mary Maldonado, Contracts Manager  
Hidalgo County Purchasing Department

FROM: Flora Vazquez, Employee Benefits Manager *RV*  
Hidalgo County Department of Budget and Management

SUBJECT: Request to Renew Additional 2-Year Term

DATE: July 28, 2008

I am respectfully requesting that you please renew the additional 2 year term with By The Numbers, Consulting, Inc. Attached you will find the initial letter of engagement outlining their fees and the scope of services that will be required of them.

Thank you for your prompt attention to this matter.

cc: Raul Silguero, Chief Administrator

# Consulting, Inc.

September 11, 2006

Martha Salazar, CPPD/Purchasing Agent  
Hidalgo County Purchasing Dept  
100 E Cano, 4<sup>th</sup> Floor —Administration Bldg  
Edinburg, TX 78539

**RE: COUNTY OF HIDALGO WORKERS' COMPENSATION SELF-INSURANCE  
FUND—ENGAGEMENT LETTER**

Dear Martha Salazar:

As requested, this letter outlines the scope and terms of our engagement with the County of Hidalgo Workers' Compensation Self-Insurance Fund (Hidalgo).

**SCOPE**

By the Numbers Actuarial Consultants, Inc. (BYNAC) will prepare an actuarial report that estimates the premium need for the 1/1-12/31/07 period. In addition, a second actuarial report will be provided that estimates the required reserves for claims incurred by Hidalgo for the 7/1/03-12/31/06 period as of 12/31/06.

**FEES**

Each report is billed on a time and expense basis subject to a maximum fee of \$5,500, for a total of \$11,000 for the two reports. The maximum fee includes a trip to present our findings. Shown below are our current hourly rates.

Lisa Dennison, FCAS, FCA, MAAA – President and Consulting Actuary	\$225
Mary Jean King, FCAS, MAAA – Consulting Actuary	215
Jeff McSweeney – Vice President and Consulting Actuary	195

**OUTCOME AND CONTINGENCY**

Any opinions expressed are based on our actuarial experience and judgment and are limited by our knowledge of the facts at the time. We cannot and do not make promises or guarantees about the outcome of the analysis. In addition, your obligation to pay for services and expenses is not contingent upon the outcome of any matter.

Martha Salazar  
September 11, 2006  
Page Two

Thank you for the opportunity to provide services. If these arrangements are acceptable, please sign a copy of this letter in the space provided below and return it to me. If you have any questions, please let me know.

Sincerely,

*Jeffrey S. McSweeney*

Jeffrey S. McSweeney  
Vice President and Consulting Actuary

*Lisa Dennison*

Lisa Dennison, FCAS, FCA, MAAA  
President and Consulting Actuary

Accepted: Hidalgo County

By: *Ramon Garcia*  
RAMON GARCIA, COUNTY JUDGE

Date: 11/8/06

Approved by Commissioners' Court  
on 9-26-06

ATTEST:

*Eddy Trevino*  
EDDY TREVINO, COUNTY CLERK

Approved on Commissioners' Court 9-26-06

APPROVED AS TO FORM  
Atlas & Hall, L.L.P.

By: *AH*

By The Numbers  
Actuarial  
Consulting, Inc.

## REFERENCES

1. Texas Public Workers' Compensation Program  
South Plains Schools Workers' Compensation Program  
Texas Workers Compensation Solutions

Russ Edwards

(830) 798-2081

2. Capital Metro Transit Authority

Russ Hermesmeier

(512) 306-8880

3. Texas Association of Counties

Jim Jean

(512) 478-8753

**EXHIBIT "A"**

**HIDALGO COUNTY  
"WORKERS' COMPENSATION LOSS AND  
FUNDING PROJECTIONS STUDY"  
RFSQ NO. 2006-296-09-15CGV  
SEPTEMBER 15, 2006**

The County of Hidalgo is seeking for sealed quotes for: **HIDALGO COUNTY- "WORKERS' COMPENSATION LOSS AND FUNDING PROJECTIONS STUDY"** to be awarded based on a lump sum flat fee. The actuarial study will cover a two-part study: 1<sup>st</sup> Part- Rate/Premium Analysis for Program Year 2007- to be completed within three to five weeks; 2<sup>nd</sup> Part- Estimate a Reserve Analysis as of 12-31-06 to be completed **NO LATER** than **MARCH 31, 2007**.

Please fill in the appropriate information below and overnight, or hand-deliver to: Martha L. Salazar, CPPB/Purchasing Agent, Hidalgo County Purchasing Department (Administration Building) 100 East Cano, 4<sup>th</sup> Floor (Admin. Bldg.) Edinburg, Texas 78539 by no later than **2:00 P.M., FRIDAY, SEPTEMBER 15, 2006**.

**DATA TO BE PROVIDED BY COUNTY BY:**

- 1) **UPDATED WORKERS' COMPENSATION LOSS RUNS:**
  - a) TAC 2001 through 2003 ( thru 6-30-03);
  - b) July 1, 2003 thru June 30, 2006
  
- 2) **PAYROLL REPORTS:** Gross payroll numbers sorted by:
  - a) Workers' Compensation Code: Code subtotals and overall grand total.
  - b) Department/WC Codes: Department subtotals and overall grand total.

**REQUIRED VENDOR'S INFORMATION:**

- 1) Vendor must provide a sample of their work product with at least three (3) Texas References, preferably any work done for Counties, School Districts and Cities.
  
- 2) Rate/Premium Analysis - (Funding Projections) for Program Year 2007.  
(1<sup>st</sup> Part Study should be completed within three to five weeks.)
  
- 3) Estimate a Reserve Analysis as of 12/31/06.  
(2<sup>nd</sup> Part Study to be completed no later than March 31, 2007).

**PROJECT OVERVIEW:**

Rates are to reflect a twelve (12) month period, so, as to coincide with our fiscal year of 1/01/07 to 12/31/07.

**TERM OF CONTRACT:**

An initial two (2) year term, with the County's option to renew an additional two (2) year term.

( 08-09 )

**HIDALGO COUNTY WORKERS' COMPENSATION LOSS AND FUNDING  
PROJECTION STUDY:**

**1<sup>ST</sup> Part of Study**

Report is to determine the rate/premium analysis for program year 2009.

(To be completed within two to four weeks as of \_\_\_\_\_).

**2<sup>ND</sup> Part of Study**

Report is to estimate a reserve analysis as of 12/31/2008.

(To be completed no later than March 31, 2009).