



Date: August 15, 2022
To: Board of Trustees, Town of Palm Beach Retirement System
From: Valmiki N. Ramsewak, GRS
Re: **Pension Administration Fee Increase Notification as of July 2022**

The Independent Contractor Agreement for Pension Administrator Services agreed to on June 24, 2019 between the Board of Trustees of the Town of Palm Beach Retirement System and GRS calls for annual increases in the maintenance fees (item 3 on page 2).

The Agreement also indicates that there would be no fee increases for the first three years and that fee increases at the start of the fourth year would be based on an increase equal to the rise in the CPI during the course of the three-year period.

The fee increase as of July 2022 is based on the CPI increase from April 2019 to April 2022 in the amount of 13.63%. This results in a monthly increase of \$1,363.00, with the monthly fee increasing from \$10,000.00 to \$11,363.00.

We thank the Board for the opportunity to provide this important service to the Retirement System and its members.

INDEPENDENT CONTRACTOR AGREEMENT FOR
PENSION ADMINISTRATOR SERVICES

THIS AGREEMENT is made this 24 day of June, 2019, by and between the Board of Trustees of the Town of Palm Beach Retirement System ("Board") and Gabriel Roeder Smith and Company ("Contractor").

WITNESSETH:

WHEREAS, the Trustees of the Board are duly appointed or elected as fiduciaries of the Town of Palm Beach Pension Trust Fund ("Fund");

WHEREAS, the Board is authorized and empowered to engage a qualified Pension Administrator to assist it and the Trustees in discharging their duties and responsibilities as Trustees and named fiduciaries of the Fund;

WHEREAS, the Board and Contractor wish to enter into an agreement to establish the terms of the independent contract relationship; and

WHEREAS, the Board has determined it is in the best interest of the participants and beneficiaries of the Fund to engage the services of Contractor upon the terms and conditions set forth in this Agreement.

NOW THEREFORE, and in consideration of these premises, the mutual promises of the parties and other good and valuable consideration, the receipt and sufficiency of which are hereby mutually acknowledged, it is hereby covenanted and agreed by and between the parties as follows:

1. Contractor Services.

A. Engagement. The Board hereby engages the services of Contractor, who hereby accepts the engagement by the Board to serve as Pension Administrator of the Fund.

B. Duties and Responsibilities. It is mutually acknowledged and agreed that Contractor is engaged to perform all duties and responsibilities assigned for the proper and complete administration of the Fund. Without limiting the generality of the foregoing, attached to this document as Exhibit A is a list of duties and responsibilities which are specifically delegated to Contractor. Contractor is also responsible to review correspondence, statements, and documents from all service providers, and to ensure service providers are aware of Board motions and decisions that impact their projects.

C. Limitation of Authority. The Contractor shall not:

1. Exercise any discretionary authority or discretionary control respecting the management or administration of the Fund; or
2. Exercise any independent authority or control with respect to the management or disposition of the assets of the Fund; or
3. Render investment advice with respect to any monies or property of the Fund.

D. Excluded Services. It is understood and agreed by the parties that the Contractor shall not be responsible for the performance of auditing, legal or financial advisory duties or performance of such duties.

2. Term. This Agreement shall remain in effect for a period of one year from the effective date, and shall be renewed annually unless and until otherwise altered by notice of termination by either party pursuant to paragraph 16.

3. Fee Schedule. For Consulting services under this Agreement, the Contractor shall be entitled to receive from the Board the sum of \$120,000 annually, paid in 12 monthly installments upon presentation of an invoice. This annual sum includes Contractor's in-person attendance at all quarterly meetings of the Board of Trustees and at once-a-month participant meetings at a location to be determined by the Board. In the event there are additional meetings of the Board of Trustees, the Contractor shall charge (and the Board shall pay) hourly rates for preparation, travel and attendance at the special meeting of the Board of Trustees. In the event that the Board requests the Contractor's in-person attendance in addition to the once-a-month participant meetings described above, the Contractor shall charge (and the Board shall pay) a minimum fee of \$1000 per meeting, plus an additional fee of \$250 per hour for each hour of required attendance in excess of 4 hours including travel time.

The hourly fees will be as follows:

Consultant	\$300 – 400
Pension Plan Administrator	\$225 – 275
Senior Benefits Specialist / Benefits Specialist	\$200 – 225
Administrative Assistant	\$90 – 150

All fees and rates for services described in this Agreement shall not increase for a period of three years commencing from the effective from date of this Agreement. In the fourth year all fees and rates will increase by an amount equal to the rise in the CPI during the course of the three year period and annually thereafter by the annual rise in the CPI.

4. Independent Contractor. This Agreement does not create an employee/employer relationship between the Contractor and the Board or Fund. It is the intent of this Agreement that Contractor is an independent contractor and not the employee of the Fund for all purposes, including but not limited to, the application of the Fair Labor Standards Act minimum wage and overtime payments, Federal Insurance Contribution Act, the Social Security Act, the Federal Unemployment Tax Act, the provisions of the Internal Revenue Code, the State Workers' Compensation Act, and the State unemployment insurance law. Contractor shall retain sole and absolute discretion in the judgment of the manner and means of carrying out Contractors activities and responsibilities hereunder. Contractor agrees that it is a separate and independent enterprise from the Fund, that it has full opportunity to find other business, that it has made its own investment in its business, and that it will utilize a high level of skill necessary to perform

the work. This Agreement shall not be construed as creating any joint employment relationship between Contractor and the Fund and the Fund will not be liable for any obligation incurred by Contractor, including but not limited to unpaid minimum wages or overtime premiums.

5. Reports. The Contractor shall work with and assist the Board and Trustees and their professional advisors in the preparation of records and reports to be filed with government departments or agencies or which are necessary to be disclosed or distributed to participants or beneficiaries.

6. Disclosure of Records. All information, including records and other data, which may come into the possession of the Contractor may be subject to disclosure and production to the extent required by the Public Records Act, Chapter 119, Florida Statutes, or upon compulsion of a subpoena issued by a court of competent jurisdiction. The Contractor shall also determine which records fall under confidentiality exceptions to the Public Records Act and maintain those records in such a manner as to preserve the privacy of the participants of the Pension Fund

7. Representation of Expertise.

A. Contractor hereby represents to the Board that Contractor has the professional expertise, experience and ability to serve as Pension Administrator, pursuant to the terms of this Agreement.

B. Contractor hereby certifies that it possesses any and all licenses or certifications required to perform all services hereunder, that such licenses or certifications are current and that Contractor is in good standing with respect to such requirements.

8. Obligations of Contractor. It is mutually covenanted and agreed that all services rendered by the Contractor to or on behalf of the Fund shall be performed with reasonable dispatch and shall be performed in a manner which is adequate and convenient to the Board and the participants and beneficiaries of the Fund. The Contractor shall familiarize itself with the basic documents under which the Fund is established and render all services in accordance with said documents.

9. Fiduciary Status. Contractor accepts the status as a fiduciary under this Agreement in accordance with Section 112.656, Florida Statutes, as may be amended, and any and all such applicable laws.

10. Insurance. The Contractor shall at its own expense obtain and maintain throughout the term of this Agreement, the insurance coverages as described in Exhibit B "Insurance for RFP 2019-20".

11. Indemnification. To the fullest extent allowed by law the Contractor shall protect, defend, reimburse, indemnify and hold harmless the Board, its members, the Town of Palm Beach, and the Town's officers, agents, employees free and harmless from and against any and all claims, losses, penalties, damages, settlements, costs, charges, reasonable attorneys or other professional fees, or other reasonable expenses or liabilities of every kind and character arising out of or relating to any and all claims, liens, demands, obligations, actions, proceedings, cause or causes of action of very kind and character in connection with, or arising directly or indirectly out of any negligent act, error or willful misconduct related to this Contract and the Work performed hereunder. Without limiting the generality of the foregoing, Contractor's Indemnity

shall include all claims, damages, losses, or expense arising out of or related to personal injury, death, damages to property, defects in materials or workmanship due to negligence, error or willful misconduct, actual or alleged infringement of any patent, trademark, copyright, proprietary information, or applications of any thereof, or of any other tangible or intangible personal or property right, or any actual or alleged violation of any applicable statute, ordinance, administrative order, rule or regulation, or order of any court. Contractor agrees to investigate, respond, adjust and provide a defense for all and any such claims, demands and actions at Contractor's sole expense and agrees to bear and remain liable for all such other costs and expenses relating thereto, even if such claim is groundless, false or fraudulent. Notwithstanding the foregoing, Contractor's Indemnity shall not extend to liability for damages to persons or property to the extent such damage was caused by any act, omission, or default of the Town, or by the Town's officers, agents and employees.

Contractor acknowledges and agrees that Town would not enter into a contract without this indemnification of Board and Town by Contractor, and that Board's entering into a contract shall constitute good and sufficient consideration for this indemnification. These provisions shall survive the expiration or earlier termination of the Contract. Nothing in this Contract shall be construed to affect in any way the Board's rights, privileges, and immunities as set forth in Florida Statutes 768.28.

12. Review of Agreement. The Board and the Contractor shall periodically review the services of the Contractor provided under the Agreement.

13. Governing Law. This Agreement has since been executed in the State of Florida and shall be governed and construed in accordance with the laws of the State of Florida. Venue for any dispute shall be in Palm Beach County, Florida. In the event of disputes, both parties to this contract agree to endeavor to resolve the dispute to their mutual satisfaction. Litigation to resolve the dispute will not be pursued until after resolution has been attempted and one or more of the parties concludes that resolution is unlikely. The parties will continue performing their respective duties while a dispute is being resolved unless the dispute precludes performance. Both parties to this contract agree to waive their right to a jury trial.

14. Entire Agreement. This Agreement including all documents incorporated by reference constitute the entire understanding and agreement by the parties hereto and shall not be modified, amended or revoked except by the express written consent of the parties. This Agreement supersedes and renders void any and all agreements and amendments thereto previously entered into and agreed upon by and between the parties.

15. Assignment. This Agreement, or any interest herein, shall not be assigned, transferred or otherwise encumbered, under any circumstances, by Contractor, without the prior written consent of the Board. However, this Agreement shall run to the Fund and their successors and assigns.

16. Termination. This Agreement may be terminated by either party on ninety (90) days' written notice, with or without cause. In the event of a termination or in the event this Agreement is not renewed, the Contractor agrees to promptly turn over to the successor Pension Administrator or Administrative Benefits Manager or such other party designated by the Board, all Fund records, reports and documents belonging to the Board and in the possession or under the control of the Contractor.

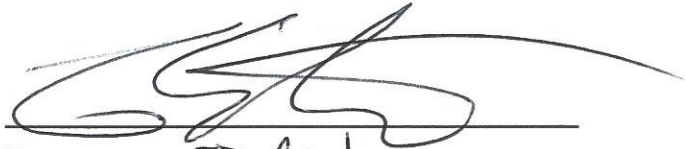
17. Incorporation by Reference. The documents listed below are a part of this Agreement and are hereby incorporated by reference. In the event of inconsistency between the documents, unless otherwise provided herein, the terms of the following documents will govern in the following order of precedence:

- a. Terms and conditions as contained in this Agreement.
- b. Terms and Conditions of solicitation number RFP No. 2019-20 Pension Administrator - Rebid.
- c. Contractor's response to solicitation number RFP No. 2019-20 Pension Administrator - Rebid and any subsequent information submitted by Contractor during the evaluation and negotiation process.

18. Effective date. This Agreement shall become effective upon execution by both parties.

IN WITNESS WHEREOF, the parties have duly executed this Agreement on the day and year first above written.

Board of Trustees of the Town of Palm Beach Retirement System



Name: EP Carter

Title: Trustee, Chair PRO TEM

Date: June 24, 2019

Gabriel Roeder Smith & Company



Name: Theora P. Braccialarghe

Title: Authorized Representative

Date: Friday, 21st June, 2019