

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.

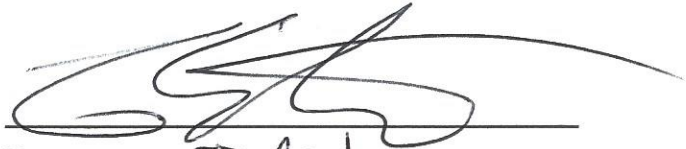
17. Incorporation by Reference. The documents listed below are a part of this Agreement and are hereby incorporated by reference. In the event of inconsistency between the documents, unless otherwise provided herein, the terms of the following documents will govern in the following order of precedence:

- 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

EXHIBIT A

Services to be provided by the Pension Administrator shall include, but not be limited to the following:

Services

- Assist member in completing a survivorship form at retirement
- Assist member in completing refund of contribution forms (for non-vested terminated employees), and tracking refunds processed for all non-vested members.
- Maintain files and data to determine Member eligibility
- Manage participant education needs for the Defined Benefits plan
- Provide member counseling for the Defined Benefit plan
- Gather and distribute Board meeting materials
- Prepare, proof, review, and distribute agenda
- Prepare quarterly Administrator report for Board meetings
- Proof, review, distribute, and facilitate approval of Board minutes.
- Schedule meetings (including coordination with Town meeting system)
- Distribute documents as necessary
- Review correspondence, statements and documents from all service providers
- Provide, prepare, and validate data provided to Actuary for annual reporting.
- Ensure compliance with Public Records law
- Maintenance of:
 - Incoming correspondence, documents and records
 - Member data
 - Service provider contracts and data
- Maintain data, programming, and reconciliation of Retirement Benefit software
- Assist retiree in transition from active employment and process records for payment.
 - Authorization for deductions
 - Benefit election form
 - Confidentiality request
 - Tax withholding (W4-P)
- Compliance with minimum distribution/415 rules
- Distribution for signature of special tax notice as required
- Ensure compliance with IRS requirements for distributions
- Establish system to conduct annual Death Record Searches
- Set up direct deposit as required
- Assist members in completing applications for DROP
- Assist members in completing applications for Retirement

- Coordinate benefit calculation and verification by actuary
- Ensure member completion of benefit election form
- Process benefit denials and appeals
- Assist in creation of Board Policies and Procedures
- Ensure service providers are aware of motions and decisions with impact their projects
- Ensure that Trustees approve benefits at quarterly meeting
- Familiarity with Sunshine laws, gift and ethics laws, and public officer voting
- Have working knowledge of Plan Document
- In coordination with plan consultant, monitor and provide trustees with updates and information for potential action on DB and DC (401a, 457, RHS) plans from a fiduciary perspective.
- Keep Trustee memberships in pension organizations up to date
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- Maintain pending matter list
- Coordinate with the Town's Risk Manager for quotes for fiduciary liability insurance and fidelity bonding
- Timely implementation of motions and decisions of trustees
- Assist with Disability applications and preparation of the materials for Board action.
- Provide Auditor with membership data for the Annual Audit and Annual Report

Personnel

It is understood that the Board is hiring GRS, and that GRS will ensure that capable representatives are available for the meetings and services described herein. To the extent possible, the services under of this Agreement shall be performed by the Contractor's employees specified below:

- Edemir Estrada will serve as the daily contact for administrative services. Once-a-month pension administration meetings will be attended by Edemir Estrada with assistance as needed.
- Quarterly board meetings will be attended by Edemir Estrada and Valmiki Ramsewak.
- Valmiki Ramsewak will oversee the services, and will be the primary contact if the Board or the Town has questions or concerns about the performance of the pension administrator or any other matter related to this Agreement.

EXHIBIT B
INSURANCE FOR RFP 2019-20

Insurance: The Service Provider shall provide at its own cost and expense during the life of the contract, the following insurance coverages to the Town of Palm Beach (30) thirty business days prior to the commencement of any work. All service providers including any independent contractors and subcontractors utilized must comply with these requirements. All insurance policies shall be issued by companies authorized to do business under the laws of the State of Florida. The insurance shall be evidenced by certificates and/or policies including premiums as determined by the Town of Palm Beach. It shall be an affirmative obligation upon the Service Provider to advise the Town's Risk Manager at fax no. 561-838-5497, e-mail risk@townofpalmbeach.com, 360 S. County Road, Palm Beach, FL 33480 within 24 hours or the next business day of cancellation, non-renewal or modification of any stipulated insurance and failure to do so shall be construed to be a breach of this Agreement/contract. The Town of Palm Beach reserves the right to require additional coverages and limits based upon the particular service or change in service provided by the Service Provider.

If the service provider maintains higher limits than the minimums shown below, the Town requires and shall be entitled to coverage for the higher limits maintained by the service provider.

Comprehensive General Liability Insurance coverage with limits of liability not less than \$1,000,000 Each Occurrence/\$2,000,000 Aggregate. The Certificate of Insurance shall indicate an Occurrence Basis. The Town of Palm Beach shall be endorsed as an additional insured under the General Liability coverage. The Service Provider's General Liability coverage shall be primary and non-contributory.

Professional Liability (Errors & Omissions) - must maintain professional liability or equivalent errors & omissions liability with limit of not less than \$1,000,000 per occurrence. For policies written on a claims made basis, service provider shall maintain a retroactive date prior to or equal to the effective date of this contract. In the event the policy is canceled, non-renewed, switched to an occurrence form or there is a change in retroactive date, service provider must purchase an extended reporting period rider during the life of this contract of not less than 3 years. Coverage is to apply on a primary basis.

Cyber Liability is required for all service providers processing or storing sensitive or confidential data such as, but not limited to, credit card, health care, employee records, banking, etc. The Cyber Liability policy shall have a limit of liability not less than \$1,000,000 per occurrence including coverage for Privacy & Security Liability as well as Security Breach Response/Expense coverage. For policies written on a claims made basis, service providers shall maintain a retroactive date prior to or equal to the effective date of this contract. In the event the policy is canceled, non-renewed, switched to an occurrence form or there is a change in retroactive date, service provider must purchase an extended reporting period rider during the life of this contract of not less than 3 years. Coverage is to apply on a primary basis.

For policies written on a Claims-made basis, service provider shall maintain a retroactive date prior to or equal to the effective date of this contract. In the event the

policy is canceled, non-renewed, switched to an occurrence form or there is a change in retroactive date, or any other event triggering the right to purchase a Supplemental Extended Reporting Period (SERP) during the life of this contract, the service provider shall agree to purchase a SERP with a minimum reporting period of not less than three (3) years. Coverage is to apply on a primary basis.

Workers' Compensation coverage with statutory limits pursuant to Florida State Statute 440 or an exemption letter from the State. Should the scope of work performed by contractor qualify its employee for benefits under federal workers compensation statute (example, U.S. Longshore & Harbor Workers Act or Merchant Marine act), proof of appropriate federal act coverage must be provided. A waiver of subrogation must be provided.

Employers Liability coverage with limits not less than \$100,000 for each accident, \$100,000 disease (each employee) and \$500,000 disease (policy limit).

In the event that claims in excess of the insured amounts provided herein are filed by reason of any operations under the contract, the amount excess of such claims or any portion thereof may be withheld from any payment due or to become due the Service Provider until such time the Service Provider shall furnish such additional security covering such claims as may be determined by the Town of Palm Beach.

Umbrella or Excess Liability is required up to the minimum limit of liability if the limits of liability shown on the Certificate of Insurance under General Liability do not meet the minimum limit of liability as required.

All required insurance policies shall provide a waiver of subrogation and rights of recovery against the Town of Palm Beach, including its agents, officers, past and present employees, elected officials and representatives, the insurance policy in effect shall protect both parties and be primary and non-contributory for any and all losses covered by the above described insurance. Insurers have no recourse against the Town of Palm Beach for payment or assessments in any form on any insurance policy.

Business Auto Liability coverage for any auto (all owned, hired, and non-owned autos) with limits not less than \$1,000,000 each occurrence combined single limit each accident. In the event service provider does not own any autos, the Town will accept proof of Hired and Non-Owned Auto Liability. For personally owned vehicles, the Town requires limits not less than \$300,000 each occurrence combined single limit.