

TAB 5

Law Offices

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October 15, 2009

Ms. Diane Ponder
Palmetto Police Officers' Retirement Plan
Post Office Box 1209
Palmetto, Florida 34220-1209

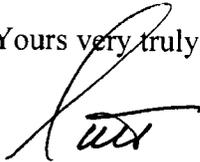
Re: Proposed Actuarial Services Agreement

Dear Diane:

As directed by the Board, enclosed please find a revised proposed Actuarial Services Agreement between the Board of Trustees of the City of Palmetto Police Officers' Retirement Plan and Gabriel, Roeder, Smith & Company. Please provide a copy of this revised document to each member of the Board for review and discussion at the next meeting. Once approved by the Board, I will forward this Agreement on to Steve Palmquist for execution.

If you have any questions with regard to this ordinance, please feel free to give me a call.

Yours very truly,



Scott R. Christiansen

SRC/dm
enclosure

cc: J. Stephen Palmquist, with enclosure

ACTUARIAL SERVICES AGREEMENT

THIS CONTRACT is entered into the ____ day of _____, 2009, between the **BOARD OF TRUSTEES OF THE CITY OF PALMETTO POLICE OFFICERS' RETIREMENT PLAN**, (herein referred to as the "Board") and **GABRIEL, ROEDER, SMITH & COMPANY** (herein referred to as the "Actuary").

WITNESSETH

WHEREAS, the Actuary has demonstrated the expertise and experience to perform the actuarial services outlined in said proposal.

NOW, THEREFORE, in consideration of services to be performed and payments to be made together with mutual covenants and conditions hereinafter set forth, the parties agree as follows:

1. The Actuary shall, within sixty (60) days of receipt of all required employee and financial data, complete and return to the Board the following for each of three (3) consecutive years beginning with an October 1, 2009 valuation:

- A. Actuarial valuation and report. In the course of the valuation, Actuary will determine the funding requirements and generally review the experience of the Fund. (9 copies)
- B. Information required for the Bureau of Local Retirement Systems per Chapter 112, Florida Statutes and page 6A for the Annual State Report. (9 copies)
- C. Disclosure information for auditors per Governmental Accounting Standards Board. (9 copies)
- D. Individual Member Certificates which set forth the projected, accrued and vested benefits, along with a statement of accumulated member contributions on the valuation date.
- E. Respond to annual requests for information by auditor.

2. Following submission of the aforescribed information and material, the Actuary shall meet with the Board to discuss in detail the results of the valuation and do all that is required to make the valuation reasonably acceptable to the Board. After acceptance by the Board, Actuary shall file the report with all appropriate State agencies and do everything necessary to obtain State acceptance.

3. In consideration of the satisfactory performance of services and delivery of work products as provided in paragraphs 1 and 2 of this contract, the Board agrees to pay the Actuary an annual fee of \$9,000.00 for 2009. This annual fee, as well as the hourly rates provided in Section 5. below, shall be increased each year beginning October 1, 2010 in accordance with the change in the Consumer Price Index. It is agreed that this annual fee amount shall be the total compensation to Actuary for performance of the services in paragraphs 1 and 2, including all expenses.

4. The Actuary shall perform all benefit calculations for retirement, disability, death and for vested benefits. There shall be no additional fee for the calculation and certification of the normal form of payment and all optional forms for retirees, but in the event the actuary is to calculate all optional forms with the partial lump sum options, the fee for the calculation shall be \$500.00. The fee for the calculation of the cost to buy-back credited service shall be \$400.00. These calculations will be performed and the results provided to the Board within 5 working days of receipt by Actuary.

5. During the contract period, the Actuary shall also perform such additional actuarial services as may be requested by the Board including, but not limited to:

- A. Perform special actuarial studies to determine the costs associated with the implementation of alternative benefit improvements.
- B. Conduct meetings with employee groups to explain plan provisions and answer questions.
- C. Analyze funding trends to predict future contribution requirements.

The charges for this work shall be based upon the amount of time required to complete each task, however, a firm, not-to-exceed, fee quotation shall be provided prior to commencing any work. The hourly charges shall be:

	<u>Hourly Rate</u>
Senior Consultant and Actuary	\$325-400
Consultant and Actuary	\$250-300
Senior Analyst	\$175-225
Analyst	\$125-175
Administrative Assistant	\$ 85 -115

6. This contract embodies the entire agreement of the parties hereto and no modification thereof shall be made except by written amendment agreed to and executed by both parties.

7. The Board shall deliver to the Actuary all employee and financial data and any such further information as the Actuary shall deem necessary from time to time in order to complete the job.

8. The Board may terminate this Contract at any time upon thirty (30) days written notice to Actuary. In the event that the Board determines to terminate this contract without cause, or in the event that the Board fails to perform any of its duties hereunder for a period of more than sixty (60) days after written notice by the Actuary of such failure, the Actuary may terminate this agreement and be entitled to compensation to the date of such termination, based on the actual work performed.

9. The term of this Contract shall be for three (3) years from date, and shall be deemed renewed for subsequent periods of one (1) year unless terminated by either party upon thirty (30) days notice to the other. There shall be no change in any terms unless mutually agreed to by the parties hereto.

10. Neither party hereto may assign, convey, or otherwise transfer any of its rights, obligations, or interest herein without the prior express written consent of the other party.

11. The validity of this Agreement and of any of its terms or provisions, as well as the rights and duties of the parties hereunder, shall be governed by the laws of the State of Florida. All prior agreements between the parties are hereby terminated and superseded by this Agreement.

12. This Agreement may be executed in several counterparts, each of which shall be deemed an original.

13. Actuary will be governed in its relations with the Board by the duties and requirements of Florida law. The Actuary will not enter into any agreement or take any action contrary to that responsibility. The Actuary will not accept or perform an engagement involving the Plan's members for any organization other than the Plan without prior written consent of the Board. Actuary warrants to the Board that the services performed under this Agreement will be performed in accordance with generally accepted industry standards.

In all of its relations with the Board, Actuary shall discharge its duties with respect to the Plan solely in the interest of the participants and their beneficiaries and for the exclusive purpose of providing benefits to participants and their beneficiaries, and defraying reasonable expenses of administering the plan. Actuary shall act with the skill, prudence and diligence under the circumstances then prevailing that a prudent man acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims. By execution of this Agreement, Actuary acknowledges that it shall be subject to the standards set forth in §112.656(1), Florida Statutes.

In addition to any liability which Actuary may have under the previous paragraph, actuary shall be liable for a breach of responsibility of another entity which provides services to the Board ("provider") in the following circumstances:

- (1) if Actuary participates knowingly in, or knowingly undertakes to conceal, an act or omission of such other provider, knowing such act or omission is a breach;
- (2) if, by Actuary's failure to comply with the previous paragraph in the administration of its specific responsibilities, Actuary has enabled such other provider to commit a breach; or
- (3) if Actuary has knowledge of a breach by such other provider, unless Actuary makes reasonable efforts under the circumstances to remedy the breach.

14. Any action arising under this Agreement shall be brought exclusively in Manatee County, Florida.

15. Public Entity Crimes Bill - Section 287.133, Florida Statutes, provides that a person or affiliate who has been placed on the convicted vendor list following a conviction for a public entity crime may not submit a bid on a contract to provide any goods or services to a public entity, may not submit a bid on a contract with a public entity for the construction or repair of a public building or public work, may not submit bids on leases of real property to a public entity, may not be awarded or perform work as a contractor, supplier, subcontractor, or consultant under a contract with any public entity, and may not transact business with any public entity in excess of the threshold amount provided in Section 287.017, Florida Statutes, for CATEGORY TWO for a period of 36 months from the date of being placed on the convicted vendor list.

IN WITNESS WHEREOF, the Board has signed duplicates hereof, and **GABRIEL, ROEDER, SMITH & COMPANY** has caused its corporate name to be signed to said duplicates by its proper officers thereunto duly authorized on the day and in the year first above written.

**GABRIEL, ROEDER, SMITH
& COMPANY**

**BOARD OF TRUSTEES OF THE
CITY OF PALMETTO POLICE
OFFICERS' RETIREMENT PLAN**

By: _____
As Senior Consultant
and Actuary

By: _____
As Chairman

ATTEST:

ATTEST:

By: _____
As

By: _____
As Secretary