

AGREEMENT

THIS AGREEMENT is entered into by and between Segal Marco Advisors, hereinafter referred to as “the Contractor”, and the County of Lancaster, Nebraska, a political subdivision of the State of Nebraska, hereinafter referred to as “the County”.

WHEREAS, the County desires to obtain consulting services that provide an annual investment and administration review of the Lancaster County 401(a) retirement plan and 457 deferred compensation plan; and

WHEREAS, the Contractor is qualified with the necessary skills, expertise and experience to meet the needs of the County and to provide the services.

NOW, THEREFORE, in consideration of the mutual covenants contained herein, it is agreed between the parties as follows:

- 1) Length. The length of this Agreement shall be from January 1, 2017, through and including December 31, 2017. The parties may renew this Agreement for additional terms upon the mutual written agreement of both parties.
- 2) Purpose. To provide an annual investment and administrative review of the Lancaster County 401(a) retirement plan and 457 deferred compensation plan.
- 3) Scope of Services. The Contractor shall provide and perform the following services and duties:
  - (a) Provide services and perform the duties as outlined in Attachment ‘A’.
- 4) Licensing. The Contractor and its employees, principals and agents shall carry any license and/or certifications necessary to provide the services performed pursuant to this Agreement. The Contractor further agrees that should it, or its employee performing services pursuant to this Agreement, no longer be properly licensed and/or certified for the services performed, Contractor shall notify the County immediately. Should Contractor lose any necessary license or be de-certified, the parties agree that the County may terminate this Agreement immediately.
- 5) Compensation. The County will pay the Contractor Twenty Eight Thousand Five Hundred Dollars (\$28,500.00) for services rendered. This fee includes all costs and travel related expenses to attend one meeting in Lincoln, Nebraska with the Lancaster County Board of County

Commissioners at a time and date acceptable to both parties. This fee also includes all costs related to participating in any required conference calls during the project and to conducting fund searches and analyzing such data as may be required as a result of Contractor's findings. The County shall pay the amount within thirty (30) days of receipt of a statement for reimbursement and documentation that services have been provided pursuant to this Agreement. Statements will be submitted to the County for review prior to any payment for services. The parties agree that this Agreement does not provide for compensation in the form of a retainer. The Contractor agrees that it shall not be paid until services have been proved to the County as provided in this Agreement. Contractor further agrees that it will make any additional information available to the County to support any claim for services rendered.

The Contractor shall not perform services that would obligate the County to costs that exceed the above amount without the prior written consent of the Lancaster County Board of County Commissioners. The County shall not be responsible for the direct payment of any insurance or fringe benefits, including but not limited to, vacation, overtime, retirement benefits, workers' compensation insurance, and unemployment insurance.

6) Independent Contractor. It is the express intent of the parties that this Agreement shall not create an employer-employee relationship. Contractor's employees shall not be deemed to be employees of the County and employees of the County shall not be deemed to be employees of the Contractor. The Contractor and the County shall be responsible to their respective employees for all salary and benefits. Neither the Contractor's employees nor the County's employees shall be entitled to any salary or wages from the other party or to any benefits made to their employees, including, but not limited to, overtime, vacation, retirement benefits, workers' compensation, sick leave or injury leave. Contractor shall also be responsible for maintaining workers' compensation insurance, unemployment insurance for its employees, and for payment of all federal, state, local and any other payroll taxes with respect to its employees' compensation.

7) Assignment. Contractor shall not assign its duties and responsibilities under this Agreement without the express written permission of the County.

8) Hold Harmless. Each party agrees to indemnify and hold harmless, to the fullest extent allowed by law, the other party and its principals, officers, and employees from and against all claims, demands, suits, actions, payments, liabilities, judgments and expenses (including court-ordered attorneys' fees), arising out of or resulting from the acts or omissions of their principals, officers, or employees in the performance of this Agreement. Liability includes any claims, damages, losses, and expenses arising out of or resulting from performance of this Agreement that results in any claim for damage whatsoever including any professional liability and bodily injury, civil rights liability, sickness, disease, or damage to or destruction of tangible property, including the loss of use resulting therefrom. Further, each party shall maintain a policy or policies of insurance (or a self-insurance program), sufficient in coverage and amount to pay any judgments or related expenses from or in conjunction with any such claims. Nothing in this Agreement shall require either party to indemnify or hold harmless the other party from liability

for the negligent or wrongful acts or omissions of said other party or its principals, officers, or employees.

9) Severability. If any portion of this Agreement is held invalid, the remainder hereof shall not be affected thereby if such remainder would then continue to conform to the terms and requirements of applicable law.

10) Equal Employment Opportunity. In connection with the carrying out of the activities provided herein, Contractor shall not discriminate against an employee or applicant for employment because of race, color, religion, sex, disability, national origin, age, marital status or receipt of public assistance.

11) Termination. This Agreement may be terminated at any time by either party to the Agreement notifying the other party in writing of such party's intention to terminate the Agreement not less than thirty (30) days prior to the effective date of termination. Upon termination by either party, the County shall pay the Contractor for services rendered as of the date of termination.

12) Entire Agreement. Both parties to this Agreement confirm that they have read this Agreement, understand it, and agree to be bound to its terms. Both parties further agree that this written instrument is the complete and exclusive statement of their Agreement which supersedes all prior statements, oral or written, relating to the subject matter of this Agreement.

13) Warranty. Contractor warrants to the County that the services to be performed under this Agreement shall be in accordance with accepted and established practices and procedure recognized as such in Contractor's profession in general and that Contractor's services shall conform to the requirements of this Agreement and be in accordance with all applicable Federal, State, and local laws.

14) Nebraska Law. This Agreement shall be governed and interpreted by the laws of the State of Nebraska without reference to the principles of conflicts of law.

15) Insurance. The Contractor shall maintain, at its own cost throughout the duration of this Agreement, a policy or policies of insurance or a self-insurance program sufficient in coverage and amount to fully satisfy any judgments and pay any and all liabilities, judgments and related expenses that may arise in connection with performance of this Agreement. At a minimum, such insurance shall include Professional Liability insurance covering damages arising out of negligent acts, errors, or omissions committed by Contractor in the performance of this Contract, with a liability limit of not less than \$1,000,000 each claim. Contractor shall maintain this policy for a minimum of two (2) years after completion of the work or shall arrange for a two year extended discovery (tail) provision if the policy is not renewed.

The Contractor shall not commence work under this Agreement until it has obtained all insurance required under this section and has provided the County with a Certificate of Insurance

showing the specific limits of insurance required by this section.

EXECUTED by Contractor, Segal Marco Advisors, this \_\_\_\_ day of \_\_\_\_\_,  
2017.

By: \_\_\_\_\_  
Frank Picarelli  
Vice President  
Segal Marco Advisors

EXECUTED by Lancaster County, Nebraska this \_\_\_\_ day of \_\_\_\_\_, 2017.

APPROVED AS TO FORM THIS  
\_\_\_\_ day of \_\_\_\_\_, 2017

LANCASTER COUNTY, NEBRASKA  
A Political Subdivision,

\_\_\_\_\_  
for JOE KELLY  
Lancaster County Attorney

By: \_\_\_\_\_  
Todd Wiltgen, Chairperson  
Lancaster County Board of County  
Commissioners



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FRANK PICARELLI  
Senior Vice President  
fpicarelli@segalmarco.com

September 19, 2017

Kerry P. Eagan  
Chief Administrative Office  
Lancaster County Nebraska  
Board of Commissioners  
555 South 10<sup>th</sup> Street, Suite 110  
Lincoln, NE 68508

**Re: Segal Marco Advisors Consulting Services for Lancaster County  
Nebraska Employees 401(a) and 457 Pension Programs**

Dear Kerry:

This letter describes our consulting services for providing an annual investment and administration review of the Lancaster County 401(a) and 457 Employees Pension Programs.

### **Fiduciary Due Diligence**

Ensuring that your employees are receiving the maximum benefits and rewards from the County's 401(a) and 457 Employees Pension Programs is a major challenge. Retirement Savings Plans must provide attractive and diverse investment options.

As a fiduciary of the Plan, it is of importance to exercise due diligence in periodically monitoring the investment options of the Plan and the overall administration services that are being provided by the Plans service provider. The services described in this letter will help fulfill your fiduciary responsibility and provide an audit trail and supporting documentation on the decision-making process related to your service arrangement and contracts with Prudential.

In summary, the review services are designed to address the need for and provide evidence of the Committee's efforts to comply with their fiduciary responsibilities to ensure that the plan participants are offered diverse and competitive investment options that are all supported by comprehensive administration services at lowest possible cost to the participants.

The following is a description of our services as they would apply to a one time project to review the overall administration services, investment options, costs and Prudential as a firm in providing turnkey services for the 401(a) and 457 Programs.

**Performance Review:**

- Benchmark the current recordkeeping fees that are in place with Prudential to comparable fees in today's market place for Plans of similar size.
- Evaluate the credit ratings of Prudential to other insurance organizations to validate their overall financial status
- Review current administration services and evaluate their performance standards for processing participant transactions
- Assist in the negotiations of more favorable pricing structure and revenue requirements to administer the Plans.
- Evaluate the current on site staff and participant advisory services
- Compare each investment option's results to appropriate market indices and universes of similarly managed vehicles;
- Verify investment style of each option;
- Measure the risk characteristics of each investment option;
- Historical performance with a focus on consistency;
- Segal System scoring system on the investment options;
- Evaluate fund expense ratios and eligibility for lower share class opportunities;
- Monitor the book to market value differential, holdings, sector allocations, credit ratings related to the Prudential Gibraltar Stable Value Fund;
- Evaluate the current Stable Value Fund's investment management fees and interest rates to obtain more favorable rates and fees based on asset growth in the Stable Value Funds since its inception with Prudential and benchmark to similar size Stable Value Funds

- Reviewing service standards and ensure vendor compliance to contract terms and conditions.
- Recommend alternatives for dealing with any of the issues noted above and assist in any related contract negotiations for enhanced services, fees and increased rates of return in the stable value fund.

In summary, our process will provide all of the necessary information to validate the Plans to what is currently being provided by the leading service providers in the 457 deferred compensation and 401(a) pension market place.

We will work with the Committee to establish a mutual agreeable schedule to present our evaluation to accommodate the Committee's schedule.

### **Professional Fees**

Our fee for conducting the services outline in this letter is **\$28,500**. **This fee includes all costs and travel related expenses to attend one meeting and any required conference calls during the project.** This fee schedule is based upon our hourly time charges to perform the required services and also includes the costs to conduct fund searches as may be required as a result of our findings. This arrangement can be automatically renewed at the expiration of the initial term upon consent of the County.

Upon your review, if you should have any questions or need additional information, please feel free to contact me.

Sincerely,



Frank Picarelli  
Senior Vice President