

## PROFESSIONAL SERVICES AGREEMENT

THIS PROFESSIONAL SERVICES AGREEMENT (the "Agreement") is made and entered into between the Walton County Board of Commissioners (the "County"), a political subdivision of the State of Georgia with an office at 111 South Broad Street, Monroe, GA 30655, and Cavanaugh Macdonald Consulting, LLC (CavMac), an Actuarial Consulting firm with offices at 3550 Busbee Parkway, Suite 250, Kennesaw, GA 30144 (the "Company").

WHEREAS, the County and the Company (each, a "Party," and together, the "Parties") wish to enter into a contractual relationship whereby the County retains the Company to perform actuarial audit services.

NOW THEREFORE, in consideration of the mutual covenants contained herein, and for other good and valuable consideration, the receipt and sufficiency of which the Parties hereby acknowledge, the Parties agree as follows:

1. **Services and Deliverables.**

The Company agrees to provide the County services related to an actuarial audit of the County-retained consulting actuary's most recent valuation and to provide independent verification and analysis of the assumptions, procedures and methods utilized by the system's retained actuary.

The audit will include auditing and commenting on the reasonableness and appropriateness of the valuation methods, assumptions, certifications, and conclusions of the consulting actuary ACCG. The audit will include the following:

(A) Determination of whether the actuarial methods, considerations and analyses used by the consulting actuary (ACCG) in preparing the most recent actuarial valuation are technically sound and conform to the appropriate Standards of Practice as promulgated by the Actuarial Standards Board. This determination will include:

1. An in-depth review and analysis of the valuation results, including an evaluation of the data used for reasonableness and consistency as well as a review of mathematical calculations for completeness and accuracy.
2. Verification that all appropriate benefits have been valued and valued accurately. Verification that the data provided by the system is consistent with data used by ACCG.
3. Evaluation of the actuarial cost method and actuarial asset valuation method in use and whether other methods would be more appropriate for the County as a whole or for particular funds.
4. Verification of the reasonableness of the calculation of the unfunded actuarial accrued liability and the amortization period.
5. A full replication of the most recent actuarial valuation for the Defined Benefit Plan.
6. This determination will include a review of the demographic and economic actuarial assumptions for consistency, reasonableness, and compatibility.

(B) An opinion as to whether the consulting actuary's reports conform to appropriate Standards of Practice as promulgated by the Actuarial Standards Board and is comprehensive. Any recommendations for improvement in the report presentation should be included.

The Company shall prepare a report of initial findings to discuss with the County's staff and reconcile any material differences with the County's retained consulting actuary and the County's staff.

The Company will then prepare and deliver a final audit report to the County. The final written report will contain an Executive Summary of the Company's findings followed by separate sections detailing its work effort and results. There will also be sections covering review exceptions, if any, and recommendations for improving the valuation process and/or reports.

Finally, if needed, the Company shall prepare and make a presentation of the audit results material to the Walton County Board of Commissioners ("Board") at a meeting date to be determined.

2. **Compensation and Reimbursement of Expenses.** To perform the work described in the Services and Deliverables section above, the County shall pay the Company a fixed fee of \$20,000 (\$17,500 for the replication audit and \$2,500 for the assumptions and methods review). This fee covers all the items above and the complete validation of the valuation results and the estimated impact of the key findings on the results. This fee includes one meeting with the Board to present the audit results and unlimited conference calls with staff and the County's retained consulting actuary.

The Company is responsible for the Company's own expenses and out-of-pocket costs relating to the services and travel to one Board meeting.

Additional travel expenses, other extraordinary necessary and reasonable expenses, and out-of-pocket costs may be reimbursed only with the County's express written consent, which consent is required prior to incurring the expenses. Consent related to the foregoing may be obtained via email from the County's Manager.

Upon completion of the services and deliverables referenced herein, Company shall submit an invoice to the County Manager. The County shall pay the foregoing invoice within 30 days of receipt unless it notifies the Company of a dispute as to amounts owed.

The Company will be responsible for the payment of all income tax and other taxes due because of payments received from the County pursuant to this Agreement.

3. **Communications**

The County shall appoint an individual to serve as the Company main contact throughout the term of this agreement. The Company shall presume, with no duty of inquiry, that all assignments given by such main contact are given with the permission of the County's Board. The Company shall presume, with no duty of inquiry, that all communications and materials provided to such main contact will be transmitted to the County's Board. The Company shall not take direction from any other individual without explicit consent of such main contact.

4. **Liability Insurance and General Indemnity**

The Company will indemnify, and save harmless the County, its directors, officers, employees and agents from and against any and all claims, actions, damages, liabilities, costs, and expenses arising out of the Company's gross negligence, error, or willful misconduct. As it pertains to data security, the Company will employ commercially reasonable measures in accordance with industry standards to protect against unauthorized access, use, or disclosure of the County pension plan member data held by the Company or the Company's subcontractors and will indemnify, and save harmless the County, its directors, officers, employees and agents from and against any and all claims, actions, damages, liabilities, costs, and expenses arising out of the Company's gross negligence, error, or willful misconduct. The County must notify the Company of any lawsuit, complaint, or other situation for which indemnification may be sought within six (6) months of the date the County is notified of the matter. In

the event of disputes, both parties to this contract agree to mediate their dispute prior to initiating litigation and to waive their right to a jury trial. The Company shall maintain such insurance as will protect it from claims which may arise out of or result from its performance under the contract, whether such performance be by the Company or by any subcontractor or by anyone directly or indirectly employed by any of them, or by anyone for whose acts any of them may be liable.

5. **Effective Date.**

This Agreement takes effect on the date this Agreement is signed by or approved in writing by authorized representatives of the County and the Company.

6. **Term.**

The term of this Agreement shall be for the necessary period to complete the Services and Deliverables described in this Agreement. Either party may terminate this Agreement at any time on 30 days' written notice to the other party. In the event of termination, no further liability or any liquidated damages for such termination shall attach to either party after all compensation and reimbursement of all properly approved expenses incurred through the thirtieth day subsequent to receipt of such notice have been paid. In the event of termination, the County shall only be required to pay the portion of the fee actually earned by Company, which shall be calculated in good faith based on the percentage of the tasks completed.

Notwithstanding the foregoing, the Company acknowledges and agrees that its obligations under Confidentiality and Non-use and Non-disclosure sections and other designated provisions of this Agreement shall survive the termination of this Agreement.

7. **Confidentiality.**

- a. "Confidential Information" means all information in whatever form (including without limitation, written, oral and electronic forms) relating to the County (including without limitation technical specifications, computer programs, portfolio holdings, contracts, data, member information, research, plans, other financial or commercial information, or intellectual property belonging to the County), including the terms of this Agreement, which is made available by the County or its Representatives to the Company after the date of this Agreement.
- b. Confidential Information does not include information which: (i) is or becomes generally available to the public (other than as a result of the Company's breach of this Agreement), either prior to or subsequent to the Company's receipt of such information, (ii) was in the Company's possession prior to the disclosure of the Confidential Information pursuant to this Agreement, except to the extent the Company obtained such information through the course of a prior engagement directly or indirectly with the County, (iii) becomes available to the Company or is independently developed by the Company without reference to information that would otherwise constitute Confidential Information, or (iv) the Company has requested waiver of the application of this Agreement to such information and the County has provided signed written consent to such waiver prior to the Company making any disclosure.
- c. The Company will not print full Social Security numbers on documents used for communication with the County or its participants. In the event that the County directs the Company to make exceptions to this policy, to the extent allowed by law, the County agrees to indemnify, defend, and hold harmless the Company for any illegal use, misuse, security breaches or identity thefts related to such information by individuals other than the Company employees.

8. **Non-use and Non-disclosure.** The Company may not disclose any of the County's Confidential Information to third-parties and may not use any of the County's Confidential Information for any purpose except as authorized by this Agreement. The Company acknowledges and agrees that the foregoing disclosure obligation shall extend beyond the term of this Agreement. It is understood that the Company may disclose any Confidential Information to its directors, officers, employees, agents, advisors, affiliates, partners, members, managers, or professional representatives, including accountants, attorneys or financing sources who need to know such information (the "Representatives"), *provided however*, that any such Representatives are subject to a similar obligation of confidentiality with respect to the Confidential Information and that the Company shall direct such Representatives to treat such information confidentially and in accordance with the provisions of this Agreement. In addition, the Company may not use the County's name, trademarks, service marks, or other designation in advertising, publicity, promotion, marketing, or other similar activity without the prior written consent of the County.
9. **Legally Compelled Disclosure.** In the event that the Company or any of its Representatives are requested by any judicial or regulatory authority to disclose any Confidential Information, the Company shall promptly notify the County of such request (unless prohibited from doing so by the terms of such judicial or regulatory order or applicable law or legal process). To the extent commercially practicable and upon the County's request, the Company will fully cooperate with the County, at the County's expense, to protect against disclosure and/or to seek an appropriate protective order. It is further agreed that, if in the absence of a protective order the Company is nonetheless compelled to disclose Confidential Information, it may disclose such information, *provided however*, that (i) unless prohibited from doing so by the terms of the judicial or regulatory order, the Company gives the County prompt written notice of the information to be disclosed, and (ii) the Company uses commercially reasonable efforts to seek assurances that confidential treatment will be accorded to any such Confidential Information so furnished.
10. **Return of Materials.** The Company agrees that upon the written request of the County, the Company will promptly redeliver to it all copies of the Confidential Information or certify to the County that it has destroyed all Confidential Information to the greatest extent practicably possible. Notwithstanding the foregoing, the Company shall have the right to retain copies (in archives or otherwise) of any Confidential Information if, and only to the extent, required for it or any of its affiliates or agents to comply with applicable regulatory or legal requirements. To the extent any such Confidential Information is not destroyed, the Company and its Representatives shall continue to treat such Confidential Information in accordance with the confidentiality obligations of this Agreement. The Company acknowledges and agrees that the foregoing confidentiality obligation shall extend beyond the term of this Agreement.
11. **Governing Law.**  
This Agreement shall be governed by the laws of the State of Georgia.
12. **Notices.** All formal notices, requests, demands, or other communications required or permitted by the terms of this Agreement will be given in writing and delivered to the parties at the following addresses. The parties agree that communications via email (which may be required to be secure email for confidential information) shall be deemed acceptable and binding and may satisfy writing and mailing requirements.

RY 8-15-24

**County Contact Information:**

John Ward (Main Contact)  
County Manager  
111 S. Broad Street  
Monroe, GA 30655  
john.ward@co.walton.ga.us  
Phone: (770) 267-1301

**Company Contact Information:**

Edward J. Koebel, EA, MAAA, FCA  
Chief Executive Officer  
3550 Busbee Parkway, Suite 250  
Kennesaw, GA 30144  
EdK@CavMacConsulting.com  
Phone: (770) 712-7019

**13. Assignment Prohibited.**

This Agreement is for professional services which may not be assigned or subcontracted by either Party.

**14. Representations and Warranties.**

- a. The Company hereby represents and warrants (a) that it is qualified to perform the actuarial services for the County described in this Agreement and render the required actuarial opinions in accordance with applicable actuarial standards; (b) that the execution and performance of this Agreement will not conflict with or violate any provision of any law having applicability to such Party; and (c) that this Agreement, when executed and delivered, will constitute a valid and binding obligation of such Party and will be enforceable against such Party in accordance with its terms.
- b. The Company represents and warrants that entering into this Agreement is not in violation of any other agreement that he may be subject to, including without limitation, employment agreements, non-competition agreements, or non-solicitation agreements.
- c. The Company represents and warrants that any services provided under this Agreement will be in compliance with law and will be performed in a manner consistent with that degree of care and skill ordinarily exercised by members of the same profession currently practicing under similar circumstances.
- d. The Company represents and warrants that it has not offered or given any gift or compensation with respect to being awarded this Agreement and has no other conflict of interest of which the Company is aware in entering into this Agreement.

**15. No Conflicts of Interest**

The company represents, covenants and warrants that it has no existing relationships that involve the State of Georgia or the County, or which would compromise the Services being provided hereunder, and the Company agrees to provide the County with notice if any such conflict of interest should arise.

16. Miscellaneous.

- a. The parties to this Agreement are independent contractors. Nothing herein will be deemed to create any other relationship whatsoever besides that of independent contractors. Neither of the Parties to this Agreement, nor their respective officers, directors, or employees will be construed to be the agent, employee, or representative of the other.
- b. The Parties agree that monetary damages may not be a sufficient remedy for any breach of this Agreement, and that in addition to monetary damages, a Party shall be entitled to all other appropriate remedies, including specific performance, injunctive or other equitable relief as may be appropriate.
- c. The prevailing party in any litigation relating to this Agreement shall be entitled to reimbursement of all court costs and litigation related expenses (including reasonable attorneys' fees) incurred in connection herewith.
- d. The captions in this Agreement are included for convenience of reference only and in no way define or delineate any of the provisions hereof or otherwise affect their construction or effect.
- e. This Agreement may be executed in two or more counterparts, each of which taken together shall constitute one and the same instrument. Facsimile or other electronically delivered signature pages shall be deemed acceptable and binding.
- f. If any provision of this Agreement shall be held or made invalid by a court decision, statute, rule or otherwise, the remainder of the Agreement shall not be affected thereby, provided that such holding of invalidity or unenforceability does not materially affect the essence of the Agreement. Any such unenforceable provision shall be deemed modified to the extent necessary to render it enforceable, preserving to the fullest extent permissible the intent of the parties set forth in this Agreement. This Agreement constitutes the entire agreement between the Parties hereto with respect to the subject matter hereof.
- g. Neither failure nor any delay on the part of any Party hereto to exercise any right under this Agreement shall operate as a waiver thereof, nor shall any single or partial exercise of any right preclude any other or further exercise of the same or of any other rights, nor shall any waiver of any rights with respect to any occurrence be construed as a waiver of such right in any other instance. Any waiver made pursuant to this Agreement shall be required to be signed and in writing from the Party granting such waiver.
- h. Any amendment to this Agreement or additional obligation assumed by either Party in connection with this Agreement or the services provided will only be binding if evidenced in writing signed by each Party.
- i. This Agreement shall be governed by and construed in accordance with the laws of the State of Georgia, without giving effect to its conflict of laws principles or rules. Each Party further consents to the exclusive venue of the state or federal courts located in the County of Walton, State of Georgia. The parties agree that this subsection shall extend beyond the term of this Agreement.

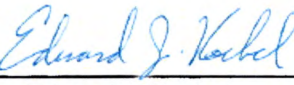
IN WITNESS WHEREOF, the Parties have executed this Agreement through their duly authorized representatives as of the Effective Date.

**Walton County Board of Commissioners**

By:   
David G. Thompson  
Chairman

Date: 8-15-24

**Cavanaugh Macdonald Consulting, LLC**

By:   
Edward J. Koebel  
Chief Executive Officer

Date: 08-22-2024