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MILLIMAN & ROBERTSON, INC.
CONSULTING ACTUARIES

SUITE 925
101 S.W. MAIN
PORTLAND, OREGON 97204
503/227-0634
FAX 503/227-7956

March 30, 1990

Ms. Mary Newell
Assistant City Recorder
City of Newberg
414 East First Street
Newberg, Oregon 97132

Dear Mary:

Re: Actuarial Contract

I have enclosed an executed original of the Agreement for Professional Services between the City of Newberg and M&R. If you have any questions, please let me know.

Sincerely,

Mark O. Johnson, F.S.A.
Consulting Actuary

MOJ:sm
encl.

CORR23 M27

ALBANY-ATLANTA-BOSTON-CHICAGO-CINCINNATI-DALLAS-DENVER-HARTFORD-HOUSTON-INDIANAPOLIS-LOS ANGELES-MILWAUKEE
MINNEAPOLIS-NEW YORK-OMAHA-PHILADELPHIA-PHOENIX-PORTLAND-ST. LOUIS-SAN FRANCISCO-SEATTLE-WASHINGTON, D.C.

AFFILIATED COMPANIES
BACON & WOODROW IN THE UNITED KINGDOM
ECKLER PARTNERS LTD. IN CANADA

AGREEMENT FOR PROFESSIONAL SERVICES

THIS AGREEMENT is made and entered into by and between the CITY OF NEWBERG, OREGON, a municipal corporation, herein called the "City" and MILLIMAN & ROBERTSON, INC., herein called the "Consultant", for the provision of actuarial and administrative services for the City's retirement plans.

IN CONSIDERATION of the mutual covenants and promises between the parties hereto, it is hereby agreed that the Consultant shall furnish actuarial and administrative services and the City shall make payment for the same, all in accordance with the terms and conditions set forth in this Agreement, including all attachments and addenda which are appended hereto by mutual agreement of the parties.

The City and Consultant agree as follows:

1. CONSULTANT'S DUTIES

1.1. The Consultant agrees to perform the following professional services:

1.1.1. All tasks stated in Appendix A.

1.1.2. All subordinate tasks not specifically referenced in subparagraph 1.1.1 hereof, but necessary to the full and effective performance of the tasks specifically referenced.

1.1.3. Furnish all labor, materials, supplies, reference and background data and information; and provide all office space and any equipment necessary to perform all tasks.

2. CITY'S DUTIES

2.1. In accordance with the terms and conditions of this Agreement, the City shall compensate the Consultant for his professional services outlined in Article 1 herein as follows:

2.1.1. The City shall pay to Consultant fees based upon the schedule in Appendix A for performance of all services set out in Article 1 of this Agreement.

2.1.2. The Consultant shall bill the City monthly for the Consultant's services which have been performed during the billing period. The City shall pay such billings within 30 days of the date of their receipt.

2.1.3. The City shall furnish Consultant all data and other supporting services requested for the completion of the tasks in Article 1.

3. GENERAL PROVISIONS

3.1. All work performed pursuant to this agreement shall be performed according to the terms and conditions of this Agreement.

3.2. All work product of the Consultant incident to this Agreement are instruments of service for this project only and shall remain the property of the City whether the project is completed or not. All specifications, studies and other information, including all copies thereof furnished by the City shall remain the property of the City. They are not to be used on other work and, with the exception of the Agreement, are to be returned to the City on request at completion of the work.

3.3. Neither party to this Agreement shall assign its interest in the Agreement or any part thereof, nor sublet it as a whole without the written consent of the other; nor shall the Consultant assign any monies due or to become due to him hereunder without the previous written consent of the City.

3.4. This Agreement may be terminated by either party upon 21 days written notice in the event of substantial failure to perform in accordance with the terms of this Agreement by the other party through no fault of the terminating party. If this Agreement is terminated, the Consultant shall be paid for services performed to the date of Consultant's receipt of such termination notice.

3.5 The term of this agreement shall be for the period beginning February 1, 1990 and ending December 31, 1991. Should the parties wish to renew this agreement, the consultant shall submit to the City a new agreement including fee proposal 60 days before the termination date.

3.6. This Agreement and any attachments represent the entire and integrated agreement between the City and the Consultant and supercede all prior negotiations, representations, or agreements, either written or oral. This Agreement may be amended only by written instrument signed by both the City and the Consultant. Written and signed amendments shall automatically become part of this Agreement and shall supersede any inconsistent provision therein; provided, however, that any apparent inconsistency shall be resolved, if possible, by construing the provisions as mutually complementary and supplementary.

3.7. This Agreement shall be governed by the law of the State of Oregon.

3.8. Should litigation occur between the two parties relating to the provisions of this Agreement, all litigation and appeal expenses, collection expenses, reasonable attorney fees, necessary witness fees, and court costs incurred by said parties, in the course of litigation, shall be separately and solely absorbed by individual said parties regardless of the prevailing decisions.

3.9. Neither party shall hold the other responsible for damages or delay in performance caused by acts of God, strikes, lockouts, accidents, or other events beyond the control of the other or the other's employees and agents.

3.10. In the event any provision of this Agreement shall be held to be invalid or unenforceable, the remaining provisions shall be valid and binding upon the parties. One or more waivers by either party of any provision, term, condition, or covenant shall not be construed by the other party as a waiver of a subsequent breach of the same by the other party.

3.11. No oral order, objection, claim, or notice by any party to the other shall affect or modify any of the terms or obligations contained in this Agreement, and none of the provisions of this Agreement shall be held to be waived or modified by reason of any act whatsoever, other than by a definitely agreed waiver or modification thereof in writing. No evidence of modification or waiver other than evidence of any such written notice, waiver, or modification shall be introduced in any proceeding.

3.12. The Consultant shall obtain and maintain in effect during the term of this Agreement a policy or policies of liability insurance with limits not less than those set forth in ORS 30.270. Liability insurance shall include the following coverages:

- a. Comprehensive general liability
- b. Errors and omission (professional malpractice)

3.13. The insurance required in paragraph 3.11 shall either be "occurrence" form or, if a "claims made" form, provide a term expiring not less than 180 days after the termination of this agreement, or include a so-called "discovery period" during which claims may be made against the policy, such discovery period being not less than six months from the expiration of the policy term.

3.14. The Consultant shall indemnify, defend, and hold harmless the City, its officers, employees, and agents, from all claims, demands, actions, and suits, whether or not frivolous or groundless, including appeals arising out of or incident to the consultant's performance of any work under this Agreement.

3.15. The Consultant shall, prior to commencing work hereunder, provide evidence that all insurance herein required is in effect.

4. SPECIAL PROVISIONS

4.1. This Agreement shall commence on February 1, 1990.

4.2. Notices relating to this Agreement shall be given:

1. To the Finance Director for the City.
2. To Mark O. Johnson for the Consultant.

4.3. Prior to commencing work under this Agreement, the Consultant shall provide the City with evidence that he is either a "contributing employer" or a "direct responsibility employer" having coverage for Workers' Compensation as required by ORS Chapter 656, or that he employs no persons subject to the requirement for such coverage.

IN WITNESS WHEREOF, the parties have caused this Agreement to be signed
by their duly appointed representative as of this _____ day of
_____, 19____.

CITY OF NEWBERG, OREGON

By Charles R. Cobb

Date March 20, 1990

MILLIMAN & ROBERTSON, INC.

By Mike Johnson

Date March 30, 1990

APPENDIX A

Agreement for Professional Services City of Newberg, Oregon and Milliman & Robertson, Inc.

Consultant's Duties

1. Preparation of annual actuarial valuation within 60 days of receipt of complete annual census. The actuarial valuation will include at least the following information:
 - 1.1 Funding status
 - 1.2 Recommended funding levels
 - 1.3 Financial disclosures under current reporting standards
 - 1.4 Summaries of the plan provisions, actuarial assumptions, and participant data
2. Preparation of annual individual participant statements within 60 days of receipt of complete annual census indicating the following:
 - 2.1 Status in the plan
 - 2.2 Annual account balance update
 - 2.3 Accrued and projected retirement benefits
3. Computation of benefits due participants or their beneficiaries at death, disability, severance or retirement.
4. Ongoing consulting as necessary and requested by the City including, but not limited to:
 - 4.1 Plan amendments and interpretations
 - 4.2 Analysis of the impact on the City of any plan amendments
 - 4.3 Communications with investment advisors and custodian
 - 4.4 Employee meetings
 - 4.5 Preparation of communication materials for employees
 - 4.6 Review of plan design

Consultant's Fees

The figures below represent our maximum charges for the two-year period ending December 31, 1991. Actual charges will be based on time and expenses, but in no event will the charges exceed those shown below:

	<u>1990</u>	<u>1991</u>
1. Actuarial Valuation	\$4,700	\$4,000
2. Account Maintenance and Statements	\$2,400	\$1,400
3. Benefit Calculations	\$100 per occurrence	\$100 per occurrence
4. Consulting	Time & Expense	Time & Expense