

ACTUARIAL SERVICES AGREEMENT

THIS AGREEMENT is entered into the 16 day of March, 200~~9~~¹⁰, between the CITY OF JONESBORO, AR, not individually, but as Trustees of the Retirement Plan for Employees of City of Jonesboro (herein referred to as "Jonesboro") and FOSTER & FOSTER, LLC (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, after receipt of all required employee and financial data, complete and return to Jonesboro the following beginning with the effective date:
 - A. An actuarial valuation and report. In the course of the valuation, Actuary will determine the funding requirements, the GASB 25/27 expense, and generally review the experience of the Fund. (6 copies) Following submission of the aforescribed information and material, the Actuary shall attend one meeting in Jonesboro to discuss in detail the results of the valuation.
 - B. Completion of required accounting disclosures.
 - C. Preparation of annual individual member certificates showing the accrued benefits in the Plan.
 - D. Respond to auditor's request form.
 - E. Data management and participant reconciliation for purposes of the preparing the valuation.
 - F. Provide general correspondence, emails, and phone calls surrounding the ongoing administration of the plan. This will be limited to 2 hours per calendar quarter.

2. In addition to the work necessary to complete the services outlined in (1) above, the Actuary shall also perform such non-regular actuarial services as may be requested by Jonesboro including, but not limited to:
 - A. Perform special actuarial studies to determine the costs associated with the implementation of alternative benefit designs.
 - B. Perform triennial experience study to provide the City with historical data to use when selecting actuarial assumptions. The cost for this study will be \$5,000.
 - C. Conduct meetings with employee groups to explain plan provisions and answer questions
 - D. Analyze funding trends to predict future contribution requirements
 - E. Prepare accounting expense estimates for future years
 - F. Perform other general or specific consulting services via telephone, email, or other correspondence.
3. Calculate monthly retirement benefits for retiring and terminating members. Actuary's fee for the calculation and certification of the normal form of payment and all optional forms are outlined in the table below.

<u>Type of Benefit Calculation</u>	<u>Standardized Form Used*</u>	<u>Any Other Approach</u>
Normal, Early, Vested Retirement	\$200.00	\$250.00
Disability	Hourly Rate x Time	Hourly Rate x Time
Vesteds Retiring under prior plan	Hourly Rate x Time	Hourly Rate x Time

* Standardized Form will be sent to Jonesboro as an addendum to this agreement, and will serve as a template for submitting data requests for benefit calculations.

4. Charges for work not explicitly outlined in paragraphs (1), (2) or (3) above will be based upon the amount of time required to complete each task. A firm fee quotation prior to commencing any work may be provided upon request.

The hourly charges shall be:

	<u>Hourly Rate</u>
Senior Actuarial Consultant	\$250
Actuarial Consultant	\$200
Actuarial Analyst	\$150
Administrative/Clerical	\$65

5. In consideration of the satisfactory performance of services and delivery of work products as provided in paragraph (1) of this Agreement, Jonesboro agrees to pay the Actuary \$12,000.00 for

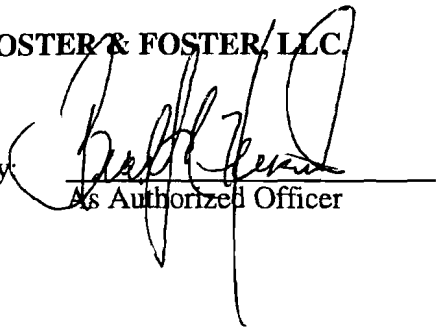
the initial valuation. The fee for each subsequent actuarial valuation will increase 5% per year. Jonesboro will be invoiced for these services upon delivery of the actuarial valuation report. There shall be no additional hourly charges or out-of-pocket expense reimbursements for the actuarial valuation meeting. Additional meetings thereafter will be billed at the hourly rate for the meeting time and ½ of the hourly rate for travel (at a maximum of 8 hours per day) and out-of-pocket expenses will be split among the clients visited during the trip.

6. This Agreement 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. Jonesboro 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. Jonesboro may terminate this Agreement, with or without cause, at any time upon sixty (60) days written notice to the Actuary. In the event that Jonesboro decides to terminate this Agreement with or without cause, or in the event that Jonesboro fails to perform any of its duties hereunder for a period of more than ninety (90) 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 Agreement shall be for five (5) years from the effective date, unless sooner terminated pursuant to paragraph 9, and may be renewed for subsequent periods of one (1) year each upon the mutual agreement of the parties hereto. 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. This Agreement shall be construed in accordance with the laws of the State of Florida and the State of Arkansas to the extent not pre-empted by federal law and the provisions hereof shall be governed by such law. 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. By execution of this Agreement, the Actuary acknowledges that it is a fiduciary of the Plan to the extent required by ERISA.

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

IN WITNESS WHEREOF, JONESBORO has signed duplicates hereof, and **FOSTER & FOSTER, LLC.** 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.

FOSTER & FOSTER, LLC.
By: 
As Authorized Officer