RESOLUTION APPROVING AGREEMENT FOR ACTUARIAL SERVICES WITH LEWIS & ELLIS, INC.

WHEREAS, pursuant to Neb. Rev. Stat. §23-104(6), the County has the power to do all acts in relation to the concerns of the County necessary to the exercise of its corporate powers; and,

WHEREAS, pursuant to Neb. Rev. Stat. §23-103, the powers of the County as a body are exercised by the County Board; and,

WHEREAS, Sarpy County requires the services of an Actuary firm to determine potential liabilities for Other Post-Employment Benefits (OPEB) pursuant to the Government Accounting Standards Board pronouncement 75 (GASB 75); and

WHEREAS, the firm of Lewis & Ellis, Inc. is qualified with the necessary skills, expertise and experience to provide Sarpy County with said services; and

WHEREAS, an agreement has been proposed by which Lewis & Ellis, Inc. will provide the actuarial services to Sarpy County as required under GASB 75, a copy of which is attached.

NOW, THEREFORE, BE IT RESOLVED BY THE SARPY COUNTY BOARD OF COMMISSIONERS THAT the Chairman of this Board, together with the County Clerk, is hereby authorized to execute on behalf of this Board the agreement for actuarial services with Lewis & Ellis, Inc., a copy of which is attached hereto, and any other related documents, the same being approved by the Board.

The above Resolution was approved by a vote of the Sarpy County Board of Commissioners at a public meeting duly held in accordance with the applicable law on the 22nd day of May, 2018.
Memo

To: Sarpy County Board of Commissioners
From: Beth Garber
Re: GASB 75 Agreement

When the County prepares the financial statements, we have to follow regulations set forth by the Government Accounting Standards Board (GASB). GASB has issued pronouncement Number 75, Accounting for Other Post-Employment Benefits (OPEB) which requires us to hire an actuarial firm to determine our potential liabilities. In Sarpy County’s case, the main OPEB is our liability for health insurance premiums for retirees until they reach age 65.

Since 2011 Lewis & Ellis, Inc. has been providing this service for the County. The attached agreement is the similar to the previously held agreements. The rate for full valuation years is $7,200 with the interim valuation rate of $1,700. This is a $400 increase for the full valuation years and a $500 increase for the interim valuation years. This agreement is effective for a 1 year period with 2, 1 year renewal terms. Please feel free to contact me with any questions.

May 14, 2018
Beth Garber

cc: Dan Hoins
    Scott Bovick
    Brian Hanson
    Deb Houghtaling
AGREEMENT

THIS AGREEMENT is entered into by and between the County of Sarpy, Nebraska, a political subdivision of the State of Nebraska, hereinafter referred to as “Sarpy County,” and the firm of Lewis & Ellis, Inc., hereinafter “Vendor”.

WHEREAS, Sarpy County is desirous of continuing a contractual relationship for actuarial consulting services required pursuant to the Government Accounting Standards Board pronouncement 75 (GASB 75) for the Sarpy County Fiscal Administration; and

WHEREAS, Vendor is qualified with the necessary skills, expertise and experience to provide Sarpy County with said services; and

WHEREAS, Vendor is willing to contract for the rendition of such services on the terms and conditions hereinafter set forth.

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 January 1, 2018 to December 31, 2018. The Contract shall be renewable for two consecutive one (1) year terms upon the express written consent of both parties for each renewed term.

2. Purpose. The purpose of this Agreement is to provide Sarpy County with actuarial consulting services required by GASB 75 to determine potential county liabilities for Other Post Employment Benefits (OPEB).

3. Responsibilities of Vendor.

a. Services to be rendered by Vendor under this Agreement shall be all those services necessary and proper for the installation and material for Actuarial Consulting Services for GASB 75 in conformity with each and every term, condition, specification, and requirement of the Bid Specifications and the Bid submitted by the Vendor.

b. All provisions of each document and item referred to in sub-paragraph “a” above shall be strictly complied with the same as if rewritten herein, and in the event of conflict among the provisions of said documents, the provisions most favorable to the County shall govern.

c. Prior to the commencement of any work, Vendor will place on file with the Sarpy County Clerk, the required certificates of insurance, if applicable.
4. **Duties of County.** In return for full, faithful and diligent rendering of services set forth above, County agrees to pay to Vendor the amount specified in Attachment “A”, Vendor’s bid, upon submission of the required invoice and satisfactory completion of all required work.

5. **Independent Contractor.** It is the express intent of the parties that this Agreement shall not create an employer-employee relationship. Employees of Sarpy County shall not be deemed to be employees of Vendor and employees of Vendor shall not be deemed to be employees of Sarpy County. Sarpy County and Vendor shall be responsible to their respective employees for all salaries and benefits. Neither Sarpy County’s employees nor Vendor’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. Sarpy County and Vendor shall be responsible for maintaining Worker’s Compensation Insurance and Unemployment Insurance for its employees, and for payment of all Federal, State, local and any other payroll taxes with respect to its employees’ compensation.

6. **Assignment.** Neither Vendor nor Sarpy County shall assign its duties and responsibilities under this Agreement without the express written permission of the other party to this agreement.

7. **Hold Harmless.** Each party agrees to save 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 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.

8. **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.

9. **Equal Employment Opportunity.** In connection with the carrying out of the activities provided herein, neither Vendor nor Sarpy County shall 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.

10. **Termination.** This Agreement may be terminated at any time and for any reason
by either party giving thirty (30) days written notice.

11. Employee Verification. The Vendor agrees to comply with the residency verification requirements of Neb. Rev. State. §4-108 through §4-114. The Vendor is required and hereby agrees to use a federal immigration verification system to determine the work eligibility status of new employees physically performing services within the State of Nebraska. A federal immigration verification system means the electronic verification of the work authorization program authorized by the Illegal Immigration Reform and Immigrant Responsibility Act of 1996, U.S.C. 1324a, known as the E-Verify Program, or an equivalent federal program designated by the United States Department of Homeland Security or other federal agency authorized to verify the work eligibility status of a newly hired employee.

If the Vendor is an individual or sole proprietorship, the following applies:

a. The Vendor must complete the United States Citizenship Attestation Form, available on the Department of Administrative Services website at www.das.state.ne.us.

b. If the Vendor indicates on such attestation form that he or she is a qualified alien, the Vendor agrees to provide the U.S. Citizenship and Immigration Services documentation required to verify the Vendor’s lawful presence in the United States using the Systematic Alien Verification for Entitlements (SAVE) Program.

c. The Vendor understands and agrees that lawful presence in the United States is required and the Vendor may be disqualified or the contract terminated if such lawful presence cannot be verified as required by Neb. Rev. Stat. §4-108.

12. Savings Clause. This Agreement shall be interpreted, construed and enforced under the laws of the State of Nebraska. It is understood and agreed by the County and Vendor hereto that if any part, term, condition or provision of this Agreement is held be be illegal or in conflict with any law of the State of Nebraska or of the United States, the validity of the remaining part, terms, conditions, or provisions shall not be affected, and the rights and obligations of the County and Vendor shall be construed and enforced as if the Agreement did not contain the particular part, term, condition, or provision held to be invalid.

13. Scope of Agreement. This Agreement, along with the Bid Specifications, and Bid by Vendor contains the entire Agreement between the County and Vendor, and there are no other written or oral promises, contracts or warrants which may affect it. This Agreement cannot be amended except by written agreement of both the County and Vendor. Notice to the County and Vendor shall be given in writing to the agents for each party named below:
IN WITNESS WHEREOF, we the contracting parties, by our respective and duly authorized agents, hereto affix our signatures and seals in duplicate this 22nd day of May, 2018.

(ATTEST:)

COUNTY OF SARPY, NEBRASKA,
A body politic and corporate

(Signature)
Chairperson
Sarpy County Board of Commissioners

Vendor: Lewis & Ellis, Inc.

By: Patrick Glenn
Title: Vice President

(Witness)
Scope of Services
We agree to value Sarpy County’s (of Sarpy County, Nebraska) retiree insurance program in accordance with GASB 75 and provide the information required for both cost recognition and disclosure. We will utilize actuarial methods and procedures along with economic analyses and actuarial judgment to develop reasonable and appropriate assumptions that will be applied in the valuation process. Upon completion of our analysis, calculations and testing, we will prepare an actuarial report. The actuarial report will contain all required financial data along with appropriate supporting detail. In addition, our services include responses to any questions from Sarpy County’s auditor.

GASB 75 replaces GASB 45 starting fiscal year 2018. GASB 75 makes substantive changes and requires additional disclosures and actuarial calculations in the “full” and “off” years. The OPEB Expense will be determined as the change in the Total OPEB Liability with deferral and amortization of specified sources of the change in the liability. The sources will need to be isolated and the new amortization bases tracked separately until fully amortized.

GASB 75 requires full updated valuations every 2 years. Thus, the next full valuation should be FY 2020. In this context a “full” valuation is meant to entail an updated census and a revised analysis of per capita costs / assumptions / actuarial methods. Though a full valuation is not required for interim fiscal year 2019 the present value costs will need to be re-calculated as of the measurement date using an appropriate bond index. Thus, the discount rate changes every year under GASB 75. The re-measurement and amortization calculations required in “off” years results in additional effort to complete the required disclosures and provide the financial information.

Fee Schedule
At Lewis & Ellis, Inc. we spend the time up front to gain an in-depth understanding of the data and actual operation of your plan. We don’t rely on a cookie-cutter approach and we strive to individualize assumptions and actuarial methods when it makes sense and the data indicate. Also, we stand behind our reports and pride ourselves in having our clients and their auditors understand the results.

We agree to the following fee amounts:

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Fee</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017-18 (full valuation)</td>
<td>$7,200</td>
</tr>
<tr>
<td>2018-19 (interim valuation)</td>
<td>$1,700</td>
</tr>
<tr>
<td>2019-20 (full valuation)</td>
<td>$7,200</td>
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