

Law Office of Robert W. Connell
Attorney at Law

(currently inactive with the Oregon State Bar)

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Newport, Oregon 97365

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ENGAGEMENT LETTER AND AGREEMENT

Dear Mayor and Council:

The purpose of this letter is to memorialize the agreement between the City of Newport ("City") and Robert W. Connell, Attorney at Law ("Robert Connell" or "Mr. Connell") for City Attorney legal services ("Agreement"). The City has been advised that Robert Connell is currently inactive with the Oregon State Bar ("the Bar"), and has made application to the Bar to restore his active status to enable him to perform services under this Agreement.

This Agreement is effective upon signature by an authorized representative of the City, with legal services to commence December 1st, 2013, or upon Robert Connell's reinstatement to active status with the Oregon State Bar, whichever first occurs.

This Agreement expires at midnight on June 30th 2014, unless earlier terminated as set forth below, or in the event this Agreement is extended or renewed as set forth below.

The Law Office of Robert W. Connell appreciates being selected to perform General Counsel legal services as City Attorney, as more particularly described below:

1. Robert Connell is engaged to perform legal services for the City for the term described above in this Agreement, and as set forth below.
2. The parties recognize that the law firm Speer Hoyt, LLC, by and through its Local Government Law Group ("Speer Hoyt") has an agreement with the City for legal services, and that the services set forth in its Engagement Letter and Billing Procedure Memo shall continue according to its terms, and as that document may be amended from time to time.

3. With the addition of Robert Connell as City Attorney, Mr. Connell will perform the duties associated with the position of General Counsel, and is tasked with the coordination of legal services provided to the City by Speer Hoyt, and such other attorneys or law firms as the City may choose to retain from time to time, upon the recommendation of Mr. Connell.
4. Mr. Connell is engaged for ten (10) hours legal services per week, as set forth in Appendix A to the City's Request for Proposals for Legal Services, published August 22, 2013 ("RFP"). Appendix A is attached to this document. The ten hours work per week will be billed to the City at the rate of \$175 per hour for Mr. Connell's time. In the event fewer than forty hours work are performed in any given month, the City will only be billed for the hours, and fractions of hours, for which work is actually performed. In the event more than forty hours of work are performed in any given month, the City will be billed for hours, and fractions of hours, for which work is actually performed.
5. Consistent with Appendix A to the RFP, the parties recognize that the coordination and other functions associated with being City Attorney and General Counsel may require reallocation of the hours anticipated to be performed in the service categories specified in Appendix A. Specifically, and with the concurrence of the City, it is anticipated that Mr. Connell's services as General Counsel may necessitate a reduction in the hours associated with attending City Council meetings. In such event, the parties will endeavor to anticipate legal issues which may arise in any such meetings, and to seek appropriate counsel prior to the scheduled meeting. In the event circumstances require, the City may require Mr. Connell's attendance at the meeting.
6. The parties agree to review and evaluate the number of hours necessary for Mr. Connell to perform General Counsel and other legal services at approximately three months following the inception of this Agreement. At that time, the parties shall consider the volume of work being performed (whether it is less than or exceeds the scheduled ten hours per week), the hourly rate associated with the work being performed (whether an adjustment raising or lowering the hourly rate is suitable under the circumstances at the time of the review), and the desirability of amending or extending this Agreement.
7. This Agreement may also be amended as mutually agreed between the parties in writing at any time, including extension or renewal upon the terms set forth in this Agreement, or upon such other terms which are agreeable to the parties.

8. The parties acknowledge that the General Counsel duties (including but not limited to coordinating legal services with the City's contract attorneys, as well as the Council, City Manager, Department Heads and staff), may require revision of Resolution No. 3624 (April 15, 2013). The parties shall meet from time to time to insure that the Resolution sets forth an effective and flexible model for ordering legal services, as well as providing for effective communication among the persons identified above. The City may amend the Resolution, after consultation with Mr. Connell, in the event changes to the Resolution are contemplated.
9. The City will be responsible for all costs incurred by Mr. Connell in the performance of his duties, including but not limited to document recording fees, filing fees, service fees, court reporter fees for depositions and hearings, court trial fees, and other necessary court and office costs. In the event travel expense is incurred by Mr. Connell in the performance of his duties, Mr. Connell shall be reimbursed at the then applicable IRS mileage rate, in addition to attorney's fees at 50% the rate specified above for the time devoted to travel.
10. Mr. Connell will not charge for basic computer research charges, phone charges (excluding long distance), and routine photocopy charges. As provided in the RFP, the City will make limited equipment, supplies, and copying services available as necessary. Depending on the legal matter, and at his discretion, Mr. Connell may engage the services of legal assistants at a rate not to exceed \$50 per hour, and law clerks and paralegals at a rate not to exceed \$75 per hour. These expenses shall be billed to the City on a monthly basis. In view of the relatively low number of legal services hours associated with this Agreement, the parties anticipate that these expenses will be the exception, rather than the rule.
11. Office bills for time expended on the City's behalf include time from initial consultation through the closing of the matter. Activities requiring the expenditure of time may include office conferences, telephone discussions, preparation and review of correspondence, document preparation and review, and any other services undertaken on the City's behalf by Mr. Connell.
12. Monthly statements will be provided to the City which will indicate the amount of time spent and the charge for services based on the then current rates. Upon receipt of the monthly statement, the amount billed is due and payable. If the outstanding balance is not paid within 60 days, interest at the rate of 9% per annum will be applied. In the event questions arise in connection with a monthly statement, the City is encouraged to contact Mr. Connell, and to resolve any

question or dispute within 30 days of receipt of the monthly statement. If no such contact is made, the statement will be deemed settled, and payment will be expected by the end of the 60 day period.

13. Mr. Connell is engaged as an independent contractor, and not as an employee of City. As such, Mr. Connell will be entitled to no benefits associated with employment, except as may be set forth herein.

14. This Agreement may be terminated by either party at any time by providing written notice to the other party, setting forth the effective date of termination.

15. In the event of a suit, action, or proceeding arising out of, or in connection with this Agreement, the prevailing party shall be entitled to its reasonable attorneys' fees and costs, whether at trial, or on appeal.

IT IS SO AGREED:

Robert Connell 10-15-13
Robert Connell Date

Sandra N. Romagnolo 10-15-13
Mayor Date

Margaret A. Lawton 10/15/13
Attest: Date:

APPENDIX A

ESTIMATED MONTHLY PROPORTION
OF GENERAL LEGAL SERVICES TIME BY WORK AREA

ATTENDANCE AT CITY COUNCIL MEETINGS	55%
PREPARATION FOR CITY COUNCIL MEETINGS	25%
CODE ENFORCEMENT AND MUNICIPAL COURT PROSECUTIONS	10%
MISCELLANEOUS	10%

Note: The amount of time spent in the work areas may vary from month to month.