

PART C: REQUEST FOR PROPOSAL – APPLICATION

SHENANGO TOWNSHIP, PA

RFP NOTICE NUMBER: 1-A

APPLICANT INFORMATION:

Company Name and Address: The Municipal Retirement Trust Pennsylvania State Assoc. of Boroughs 2941 North Front Street Harrisburg, PA 17110	Company's Principal Point of Contact: Mr. Christopher Cap Chief Operations Officer The Municipal Retirement Trust
Point of Contact's Phone Number:	800-232-7722 (or) 717-236-9526 Ext. 43
Point of Contact's FAX Number:	717-236-8289
Point of Contact's E-Mail Address:	ccap@boroughs.org

STATEMENT OF CONFIDENTIALITY ON INFORMATION PROVIDED:

All Applicants to this RFP – be advised that; this application and its contents shall be held in a confidential status until the conclusion of the Request for Proposal process, after which, all information provided on this application will become public accessible and may be disseminated in accordance with the other previously established policies of this municipality and the specific disclosure requirements of Act 44 of 2009, Chapter 7-A, except, information that is considered proprietary in nature and / or otherwise protected by law.

APPLICATION QUESTIONS & INSTRUCTIONS:

INSTRUCTIONS: This Application is presented in **WORD format** to allow you to insert your responses without transposing the questions to a separate document. **Applicants must** submit their response to each question below that question and preface each one with the word ***Response:*** in bold Italic. All responses are to be in Times New Roman font – 12 point. Please do not reformat the Application. The margins have been offset to allow for binding. No other form of written response is acceptable.

APPLICATION QUESTIONS:

1. Please provide the names and titles of all individuals who will be providing professional services to the **Requesting Municipality**'s pension plan(s) identified.

NOTE: No Response required...This information is required under **Question #1** of the **Standard Disclosure Form**.

Applicants: please do not repeat your information here; answer this question on the Standard Disclosure Form only.

Evaluators: please refer to the **Standard Disclosure Form Question #1** to review this information.

2. Describe how long your firm has been providing the types of services sought under this RFP – **specifically**, to municipal government entities in Pennsylvania. If your firm will employ any subcontractor or company that will be a party to providing the proposed services relative to this RFP, or in an advisory capacity, please indicate their experience relative to servicing pensions of municipal government entities in Pennsylvania.

Response (Applies to Both Plans): The Municipal Retirement Trust has been providing municipal pension services since 1972 and is a highly specialized, multi-employer Trust that **exclusively** serves local PA governments.

The MRT Principal Team (at the PA Boroughs Assoc. office):

Thomas Klaum, PSAB Exec. VP (MRT Secretary/Treasurer): 25 + years experience

Chris Cap, PSAB Deputy Exec. VP (MRT Chief Operations Officer): 10 years experience

Linda Costa, Director of MRT Trust Accounts: 7 years experience

Joseph Scott, Municipal Pensions Outreach Coordinator: 5 + years experience

Principal Sub-Contractors and Advisors:

Thomas J. Anderson & Associates, Inc. (Administrative Services Sub-Contractor) has been providing municipal pension services for more than 20 years

Beyer Barber Company (Actuarial Services for Defined Benefit Plans Sub-Contractor) has been providing actuarial services in accordance with Act 205 requirements for more than 20 years.

Merrill Lynch – Investment Market Monitor / Advisors Sub-Contractor: 20 + municipal experience

Peter Butera, CIMA, First Vice President of Investments and **William Bender**, CFP, CIMA, ARPC

Investment Management Team:

All have at least 15 + years in investment management, their PA municipal experience is not relevant to the service they provide to the MRT – their expertise in style-specific investment management is.

Wedge Capital Management L.L.P – Mid-Cap and Bond Manager

NWQ Investment Management Company, LLC – Large Cap and Mid/Small Cap Manager

Tradewinds Global Investors - International Manager

ING Clarion Real Estate Securities – Real Estate Investment Trust Manager

Atalanta Sosnoff – Large Cap Growth Manager

Neuberger Berman – Large Cap Core Manager

Aletheia Research and Management, Inc. – Large Cap Growth Manager

CS McKee – Large Cap Core Manager

The Endowment Fund – Alternative Investments Fund of Funds Manager

Wentworth, Hauser and Violich – International Fund Manager

Other Sub-Contractors / Advisors:

All of the following have 15 + or more years experience in providing similar services to PA municipal governments or to and through service to the Municipal Retirement Trust:

Hamilton & Musser – Accounting Contractor: **Robert Mast**

Fulton Bank – Fund Depository

Mette Evans & Woodside – Law firm providing legal counsel: **James Ulsh, Esq.** MRT Solicitor

Reed Smith – Law firm providing legal counsel: **Joseph Rudolf, Esq.** – Provides periodic legal counsel.

3. In general terms, describe the make-up of your current municipal client base:

- a. How many of your current public clients are **Pennsylvania municipal clients** at the township, borough, or municipal authority level (commonly referred to as *local government entities*)?

Response (Applies to Both Plans): The Municipal Retirement Trust was instituted for the expressed purpose of providing pension services exclusively to municipal government entities of, and only within, the Commonwealth of PA. The Municipal Retirement Trust does not have, nor does it allow pension plans of any individuals, private companies, or publicly traded companies, within its ranks of investors. The Trust is comprised of only PA Municipal Government-sponsored pensions as plan participants.

Total PA Municipal Clients: 210 municipal clients – these clients are comprised of boroughs, townships, municipal authorities, and councils of government

- b. What are the percentages of those that are defined benefit vs. those that are defined contribution plans?

Response (Applies to Both Plans): Defined Benefit Plans: 60.5% (127 plans)

Defined Contribution Plans: 39.5% (83 Plans)

- c. What are the total assets of those Pennsylvania municipalities that your firm has under direct financial management?

Response (Applies to Both Plans):

Total PA Municipal Client Assets in the MRT: **\$163,208,729 (as of 1 Jan, 2011)**

4. Provide some brief specifics relative to the qualifications and experience of the principal individuals primarily responsible for providing **investment management and/ or advisory services**. Also provide the same information for those primarily responsible for providing **administrative services** – specifically address their experience with Act 205, Act 600, and Act 44 compliance and reporting. All responses to the preceding must reflect their qualifications and experience, specific **only** to the provision of pension services to Pennsylvania municipal clients.

Response (Applies to Both Plans):

PSAB TEAM is listed 1st, followed by the Administrative and Actuarial Team

Christopher Cap, MRT Chief Operating Officer & PSAB Deputy Executive V.P. *

Chris is the Deputy Director of the Pennsylvania State Association of Boroughs and serves as Chief Operating Officer of the Municipal Retirement Trust. He also managed the operations of a statewide unemployment compensation fund (comprised of 651 cities, boroughs and townships), oversees the PSAB communications department, and works with the Congress, PA State Assembly, and Governor's Office on pertinent financial issues impacting municipalities. Cap has served PSAB for over ten years and previously served as a commercial/residential mortgage banker and underwriter for 8 years. He earned his B.A. from the University of Maryland and his M.A. from East Stroudsburg University.

Thomas A. Klaum, PSAB Executive V.P. *

Mr. Klaum has worked in public service for over 40 years and serves as the Chief Executive of the PA State Association of Boroughs. Tom's responsibilities include a \$4 million dollar annual operating budget and oversight of royalty programs that exceed \$434 million in assets. He earned his Bachelors Degree at the University of Pittsburgh and a Masters Degree in Public Administration from the Shippensburg University.

Jeffrey Heishman, PSAB Deputy Executive V.P. *

Jeff has worked in the association management field for over 30 years and has served as Executive Director of the Lower Dauphin Council of Governments and Assistant Director/Community Development Director of the Steel Valley Council of Governments. Jeff has been involved with the Municipal Retirement Trust and its Board of Trustees since 1984 and has worked with municipal governing bodies and appointed officials across the Commonwealth. He earned his B.A. in Governmental Administration and his M.S. in Public Administration from Shippensburg University.

Linda Costa, Director of Municipal Retirement Accounts

Linda Costa has an extensive business background in program management, marketing and finance. She worked for 15 years in the manufacturing arena in program management doing manpower planning, financial forecasting and budgeting, program statistical collection, internal financial audits, ethics investigations, and coordinating cost reductions. Since moving to Pennsylvania in 1997, she has been employed by PSAB where she established and ran the Police & Fire Testing Service for 5 years, is Executive Director of the PA Association of Councils of Governments and currently is the Director of Municipal Retirement Trust Accounts. She has a BA in Psychology and an MBA in Marketing from C.W. Post Center in New York.

Joe Scott, Municipal Pensions Outreach Coordinator

Joe Scott has an extensive business background in management, marketing and sales. He spent 20 years with the US Army, 16 of which he served in a leadership / management capacity. After retirement in 1998 from the military, he worked in 2 sales and marketing positions before joining the MRT team in 2010. Joe worked for the MRT in his current position from 2001 – 2005. He earned a BS Degree in Business Administration from Central Pennsylvania College during his absence from the PSAB.

Administration Team: Thomas J. Anderson & Associates, Inc. has been providing municipal pension services for more than 20 years. As former Auditors for the PA Dept. of the Auditor General, the principal members this firm possess a keen understanding of the complexities of PA Municipal Pension

Administration. They are highly specialized in providing timely and effective guidance on all pension administrative requirements, based on their vast knowledge and experience regarding Act 205, Act 600, and Act 44 compliance and reporting.

Thomas J. Anderson, President, Thomas J. Anderson & Associates, Inc. Audit Supervisor, Department of the Auditor General, 1980-1989, President, Thomas J. Anderson & Associates, Inc. 1989-present.

Douglas G. Werley, CPA, Associate. Thomas J. Anderson & Associates, Inc. Audit Supervisor, Department of the Auditor General, 1992-2003, Associate, Thomas J. Anderson & Associates, Inc. 2003-present.

Actuarial Team: Beyer Barber Company has been providing actuarial services in accordance with Act 205 requirements for more than 20 years.

Randee Sekol, EA, MAAA, MSPA, FCA, Owner, Beyer Barber Company, Approved actuary under Pennsylvania Act 205. Owner Beyer Barber Company 1996-present, Actuary, Beyer Barber Company 1986-1996

5. Briefly describe the overall structure of the services platform your firm will employ to provide the desired services described under this RFP in **PART A: RFP Requirements and Specifications**. Please indicate if your firm will employ any subcontractor(s) and / or advisor(s) to assist in providing these services and their respective capacity.

Response (Applies to Both Plans): The *Municipal Retirement Trust* is governed by a Board of Trustees whose primary responsibility is to periodically review the investment posture, performance, and the efficiency of all service providers to the MRT. As changes become inevitable, they are charged with the responsibility of selecting courses of action or suitable replacements for underperforming service providers or investment managers. Their findings and recommendations are then brought before the members of the PSAB Board for final decision and approval. Christopher Cap serves as the MRT's Chief Operations Officer and supervises the day to day operations of the Trust. Joe Scott and Linda Costa provide new client and current client customer services respectively.

Sub-contractors and advisors: The Trust has assembled a team of highly experienced and dedicated professionals in each of the areas they represent.

Thomas J. Anderson and Associates is responsible for providing all of the administrative services previously listed under this topic and specifically, all of the services requested under this RFP's *Part A: Detailed RFP Requirements*.

Actuarial Services: Beyer-Barber Company provides Actuarial Review of participating pension plans within the MRT and completes the bi-annual Act 205 report for Defined Benefit plans.

The Investment Managers: These companies are style-specific and represent some of the most knowledgeable, effective and respected financial management firms in the nation. The current list of *Investment Managers* is in the response section of **Question 2**.

The Investment Advisory & Monitoring Team from Merrill-Lynch; Peter Butera, CIMA, First Vice President of Investments and **William Bender**, CFP, CIMA, ARPC are among the very best in the Commonwealth at providing PA municipal pension investment advice and monitoring.

Other sub-contractors provide periodic and very specific services as needed, such as legal advice, accounting and auditing, and banking and custodial services. Their roles and who they are have been previously identified. In summation, the total package of service providers and services offered through the MRT are second-to-none.

6. How many PA municipal clients do you currently provide a platform of product(s) and service(s) similar to the one you are proposing in your response to question #5 ?

Response (Applies to Both Plans): The *Municipal Retirement Trust* provides this same platform of products and services to all of our members. The MRT currently services 210 municipal pensions throughout the Commonwealth of PA

7. Please indicate if there are any aspects of the desired services described under this RFP in **PART A: RFP Requirements and Specifications** that your firm is unable to perform or provide.

Response (Applies to Both Plans): There are no services required under this RFP that the *Municipal Retirement Trust* cannot effectively and efficiently offer.

8. Briefly describe a situation when your firm provided a timely and effective solution to a new client's crisis or circumstance that resulted in a positive resolution or elimination of the issue.

Response (Applies to Both Plans): The *Municipal Retirement Trust* has been hired by numerous municipalities in recent years to more effectively manage the investment risk for their pension plans. In many cases, new plans enter the **MRT** because the previous investment manager severely underperformed performance benchmarks and therefore adversely impacted the actuarial positioning of that plan. In other cases, many municipalities have taken an exorbitant amount of risk and were confronted with deep negative returns that are difficult to overcome in subsequent positive performing years. Yet in other cases, there were those municipalities whose administrative service providers failed to keep them informed of changes in laws that govern PA Municipal Pensions and this resulted in numerous findings by the PA Auditor General's Office.

The solution: Effective & Sound Investments: The Municipal Retirement Trust has effectively mitigated such cases involving poor investment performance through a responsible investment platform

that promotes growth and seeks to manage downside risks during investment cycles involving extreme economic or geopolitical market events.

Effective & Sound Administrative Management: Thomas J. Anderson & Associates, Inc. routinely correct existing audit issues as well as correcting any new issues as they arise. For example, many defined contribution plans due to the state aid time lag receive excess state aid. This excess state aid needs to be returned to the Commonwealth of Pennsylvania to avoid a future audit finding. Our firm with the authorization of the municipality always ensures that this occurs. The MRT takes a proactive rather than reactive approach to pension administration that starts when a new client joins the Municipal Retirement Trust. The answer to the next question illustrates this perfectly.

9. Describe your firm's approach to client support and if selected to provide services to this municipality, how this municipality will be integrated into your client support network.

Response (Applies to Both Plans): **Initially...**Client support begins as soon as the municipality joins the Municipal Retirement Trust. All customer support, contact information, a welcome packet, and critical documents that must be incorporated into the municipality's pension plan are sent. Shortly afterward, Thomas J. Anderson & Associates will schedule a visit to the municipality to review all pension documents, with special emphasis on three critical areas: Overall employee benefit structure, past 3 audit reports, and previous Act 205 reports. They will also focus on any recent changes in PA Pension Laws that may need to be addressed as well. The focus here is to insure legal compliance, effective and compliant administration of the plan, and to provide the municipality with advise and written instructions for corrective action to mitigate any deficiencies they find. Thereafter...the plan is routinely monitored and corrections are made as circumstances present themselves. Prior to audits by the PA AG's office, our administrative team will insure that all the documents you need are in place and properly prepared. They will also field any questions during or after the audit from either the municipal leadership or the auditor. Support by the PSAB staff is always available, as with Thomas J. Anderson & Assoc. – we are only a phone call away. There are usually no fees associated with these initial reviews.

10. Briefly describe any unique characteristics of the overall services platform your firm proposes and why (in your opinion) you feel it is best suited to meet the needs of this municipality's pension(s).

Response (Applies to Both Plans): There are three unique (exclusive) characteristics of the overall services platform offered by the *Municipal Retirement Trust (MRT)*:

(1) Exclusive Participation – The MRT is only available to PA Municipal Government entities that operate a qualified pension plan and are subject to the requirements of ACT 205 of 1984 and all subsequent or related PA Pension Laws.

(2) Unique Governance & Shared Fiduciary Responsibility – The MRT is a trust. Its trustees, the MRT Officers, and the PSAB Board, collectively manage the trust and therefore share in the fiduciary responsibility that the municipal leadership has regarding the plan. This offers a unique and added layer of security and scrutiny to the overall operation of the pension plan that is otherwise not offered by other service providers. In addition, the MRT is a program operated by a non-profit entity (the PSAB) and for the expressed purpose of providing an unparalleled pension service to its municipal membership. This makes the MRT one-of-a-kind among pension service options.

(3) Unparalleled Investment Services & Cost Saving – When municipalities join the MRT they are joining a collection of other municipal trust participants to form a large investment coalition. This means the MRT and its participants can gain access to some of the best investment, administration, and actuarial services money can buy – at a cost that is below the capabilities of most municipalities individually.

11. Has your firm (the Contractor) or any subcontractor or company in an advisory capacity that will be a party to the proposed services relative to this RFP, been involved in:

- a) Any adverse criminal, civil, regulatory, or government actions against any director or principal officer in the past 5 years; or
- b) Any investigation of the same nature that has occurred within the past 36 months?

If so, please indicate the outcome of said action or investigation. **Furthermore**, please indicate whether you have received notice or have any reasonable basis to believe that any criminal regulatory or similar investigation is likely to commence within the next 12 months.

Response (Applies to Both Plans): No – None of the aforementioned circumstances presented in this question apply. We do not anticipate nor have we received notice of any pending criminal, regulatory, or similar investigation. We have no reason to believe one is likely to commence within the next 12 months.

12. Describe your firm's errors and omissions insurance and commercial general liability insurance and specific coverage.

Response (Applies to Both Plans): The MRT has an errors and omissions insurance policy and general liability plan that together help to address our liability exposure; they are commensurate with needs of the Trust.

13. Provide a brief overview of your firm's internal auditing and review procedures. Are there any reports generated from these procedures that are forwarded to clients?

Response (Applies to Both Plans): The Municipal Retirement Trust is audited by the Camp Hill, PA – based Firm of Brown, Schultz, Sheridan, and Fritz. It is also subject to standard compliance requests from the PA State Auditor General’s Office and the Bureau of Municipal Pensions. The results of our audits and earnings are quite transparent and are contained in the Annual Report provided to all municipal clients of the *Municipal Retirement Trust* on request.

14. With regard to your firm’s prior experience with Act 205, Act 600, and Act 44 compliance and reporting:

- a) Describe your firm’s approach to monitoring and managing regulatory changes imposed by state and federal government entities and how you assist municipal clients in maintaining compliance.

Response (Applies to Both Plans): During the recent and unprecedented changes imposed by Act 44, 2009, **the MRT staff** took a proactive approach and began an aggressive campaign to not only inform MRT members of these new compliance requirements but also developed self-help tools and provided on-site assistance anyone requesting it in order to ensure compliance. All 210 pension plans within the MRT met the required deadlines. To our knowledge, we are the only pension service provider that accomplished this daunting task to this level of proficiency. Additionally, Thomas J. Anderson & Associates, Inc. routinely monitors for any regulatory changes and propose whatever corrective action that needs to be taken. For example, with the passage of Act 51, they have been updating plan documents to comply with the requirements of this legislation. This type of monitoring and administrative management is a **high priority** for the MRT.

- b) Describe your firm’s approach to handling adverse audit findings by PA Auditor General’s Office - should they occur.

Response (Applies to Both Plans): The MRT’s administrative services provider, Thomas J. Anderson & Assoc. offers this response: *As former Department of the Auditor General Auditors who work closely with the Department, we provide timely and relevant guidance to avoid audit findings as much as possible. If and when a finding does occur, we extensively work with municipal officials to comply with the audit recommendation and also when it appears that the Department of the Auditor General is in error, we work with municipal officials to have an incorrect audit finding rescinded.*

15. What types of reviews or audits does your firm routinely conduct when assuming a new client? Are there additional fees incurred for these reviews or audits and if so, what do they typically cost?

Response (Applies to Both Plans): When the **MRT** and more specifically, **Thomas J. Anderson & Associates, Inc.** welcomes a new client to our pension administration organization, we approach the

client as if we were going to perform an audit. We meet with the client and obtain all necessary information to completely administer the pension plan(s). We review the most recent Department of the Auditor General's audit report to ensure any outstanding audit issues are addressed. We advise the municipality on any issues that we believe may cause a potential audit problem. Normally there is no additional expense for this service. The response to question #9 echoes this commitment to quality control and review.

16. Provide a sample of an *Annual Summary Statement* or *Annual Plan Statement* that indicates transactions within the plan. This must be of the same design as the one your firm will routinely provide this municipality, if you are selected.

Response (Applies to Both Plans): The Municipal Retirement Trust Staff prides itself in its timely, efficient, and concise plan statements and reporting. Please see attached sample statement – for the period ended, December 20XX, from one of our municipal clients. It is labeled **ENCLOSURE #2**

17. Describe the asset classes and allocation mix your firm proposes to employ if selected to provide investment services. Describe why you feel your firm's overall approach to asset management is best suited to meet the needs of this municipality? How often is the portfolio reviewed?

Response (Applies to Both Plans): As described below, and as exhibited in Enclosure 3, the MRT offers two distinct investment options for municipalities to choose from – the Balanced Account and the Fixed Account. The MRT does not direct a municipality as to which account they should invest in or advise them of such – this is a municipal leadership fiduciary decision. These two options provide an opportunity for each municipality to determine its own level of risk-tolerance and then choose the account they feel best suits their needs.

Municipal Retirement Trust Overview: The MRT provides a very modern, comprehensive investment approach to its investment services. The Trust operates two distinct investment Accounts; both are actively managed by seasoned investment professionals. The MRT does not direct a municipality as to which account they should invest in – *this is a decision municipal leadership must make.*

THE INVESTMENT ACCOUNT CHOICES ARE:

The Balanced Account is essentially a high quality, blended account consisting of an investment mix of 60% Stocks / 40% Bonds

The Fixed Account is essentially an investment grade, high quality bond portfolio, specifically chosen to meet the needs of clients that do not wish exposure to the stock market.

We believe that both plans reflect adequate and contemporary investment strategy based on certain risk-tolerance criteria. Further, both accounts are actively managed and monitored by the professionals previously described and are refined / rebalanced according to prevailing circumstances and MRT rules within our investment policy that govern such actions.

Monitoring and Review of the Portfolio: The Portfolios for both the Fixed Account and the Balanced Account are monitored continually by the investment advisors at Merrill–Lynch. They are monitored and reviewed monthly by the Trustees and three times a year by the entire board. Should immediate changes be necessary, the board may convene a special meeting to address such issues.

18. If your firm plans to provide the investment services portion via a structured or multi-employer trust, please provide an overview of the trust’s structure, how investment managers are chosen, and who is responsible for investment advising and allocation selection. IF NOT, then indicate who is responsible for investment manager selection, asset allocation, monitoring and advising.

Response (Applies to Both Plans): In simple terms, Merrill Lynch (Mr. Bender and Mr. Butera) are responsible for monitoring investment performance, conducting quarterly (monthly when necessary) meetings with the MRT Trustees, and when necessary, making recommendations to the MRT Trustees when investment allocation changes are prudent – to include hiring or firing(adding or deleting) of individual investment managers. They are also responsible for researching new potential managers, conducting pre-screenings and interviews – then presenting their top choices to the MRT Trustees for final interviews and selection.

19. Provide the NET rate of return for your firm for each of the timeframes indicated below and the corresponding index (or indexes) your firm uses as a benchmark to measure performance.

Response (Applies to Both Plans): see data provided below in each category requested (in black)

<u>TIMEFRAME</u>	<u>NET RATES OF RETURN (*) % BALANCED ACCT.</u>	<u>NET RATES OF RETURN (*) % FIXED ACCT.</u>	<u>FOR ALL YEAR-GROUPS INDEXES USED AS BENCHMARKS</u>
Year 2010	11.48%	5.52%	Generally: The S&P 500, Russell 1000 Growth and Russell 1000 Value, US Domestic Master Bond and MSCI-EAFE
5 year – thru 2010*	5.55%	5.86%	
10 years – thru 2010*	5.73%	5.76%	
15 years – thru 2010*	7.56%	7.22%	

* If date of inception is used, please indicate so and the specific date // if data is not available for these periods, please provide a brief explanation.

20. Do these **rates of return** provided in response to question # 19 reflect accounts that are (essentially) of the same make-up and design as you proposed in your response to question # 17 (and/or) #18? If not, please explain.

Response (Applies to Both Plans): These Rates of Return reflect what a participant earned, assuming of course that they were part of the Municipal Retirement Trust during all of period indicated and stayed in either fixed or balanced account for the duration. **Therefore, the answer is yes...**it is of the same make-up and design, regardless which account the municipality decides to invest in.

21. Provide information on the timing and distribution of investment performance reports following the end of a reporting period. **Specifically** describe what types of exhibits (reports) would be presented in a summary report, those provided in a detailed report, and the frequency of each. Please provide one example of a recent summary report. Are costs for these reports included as part of the general services provided or are they billed separately? If billed separately, please indicate the fees associated with each.

Response (Applies to Both Plans): An example of the simplified summary report that is produced monthly is provided in the enclosure labeled: **ENCLOSURE # 3**. In short, **Summary Reports (like the example)** are produced monthly and are available within 10 days of the closing period. **Detailed Quarterly Reports** are available within 30 - 40 days following a quarter closing. As a rule, The MRT does not send these reports out without a specific request and frequency. In other words, the municipality must request which reports and what frequency they would like to have them. For example: only the Detailed Quarterly reports. This selection is made when a new municipality joins the MRT. However, any report can be requested at any time by any MRT participating municipality. **There are no additional fees or charges** associated with providing any of the monthly, quarterly, or annual reports produced by the MRT. Our rationale is to provide customers with the reports they need or desire, not overwhelm them

22. Provide a list of the services your firm will provide. After each section or group of services, list the fees associated with that service and describe how these fees are calculated. Also, explain how the fees are billed or paid by the plan. Are all fees that are charged to the pension plan shown on the **Annual Summary Statement** or **Annual Plan Statement** ? If not, indicate why not and how and when these fees are disclosed.

Response: Since all Fees associated with service through the **Municipal Retirement Trust** are asset-based (except the Actuarial Service Fee) and the assets for these plans were specified in the RFP as shown below, all asset-based fees were calculated based on the amount stated. The Actuarial Quotes are based on plan demographics (number of plan members). **Each Plan has a separate 3-page response** where costs and services are explained. **FIRST - Police Plan SECOND - Non-Uniform Plan**

Demographics presented in this RFP:

- a) **Plan Assets** – Police Pension Plan: \$900,000
- b) **Plan Assets** – Non-Uniformed Pension Plan: \$150,000
- c) **Plan Members:** Police / Defined Benefit Plan, 4 active and 4 retirees (no terminated vested employees)
- d) **Plan Members:** Non-Uniformed Defined Contribution Plan, 4 active/ vested and 0 retirees

23. Specify any services that are offered but not included in the general services menu and the fees associated with each. Your answers should reference other questions previously answered where fees were indicated.

Response (Applies to Both Plans): The Trust Administrator may provide ad/hoc benefit studies or other ancillary actuarial services per the client's request that may be outside the scope of our comprehensive services menu. Fees may vary depending upon the issue variables. Therefore, written estimates are provided prior to the provision of services that include a description of the work / service to be performed.

Response (Applies to Police – DB plan only): The MRT does not include or routinely produce *Individual Plan Participant Statements* as part of the general services menu. However, *Individual Plan Participant Statements* are available on a bi-annual basis, in connection with the bi-annual actuarial report – they are not available annually. There is a one-time setup fee for this service which is **\$400**. Thereafter, the reports are produced free of charge.

24. Specify any fees associated with initial set-up or asset-transfer. Specify any fees that would be levied should the municipality withdraw or terminate the professional services contract with your firm. If early termination fees are applicable, what time restrictions apply to these fees?

Response (Applies to Both Plans): There are no initial set-up or assumption fees associated with joining the MRT. There are no fees or penalties levied for withdraw or termination of services with the MRT. We only require a 60-day notice to process a request for termination and provide for movement or transfer of services and or funds to the new service provider.

25. Does your firm require a specific term or length of contract? If so, indicate the minimum period of time your firm typically contracts for.

Response (Applies to Both Plans): We do not require any defined contract periods [mandated or suggested] nor do we have any recapture clauses or impose monetary penalties for withdraw from the MRT for any new or existing municipal clients. This is in the best interest of the client and we are one of the few municipal pension servicers that do not place these constraints or restrictions on the local governments we serve.

26. If requested, does your firm offer periodic meetings with municipal leadership to discuss administrative, actuarial, or investment matters? Are there additional costs incurred for these meetings? If yes, please specify the fees and how they are calculated, including travel expenses if applicable.

Response (Applies to Both Plans): The Municipal Retirement Trust encourages regular meetings with each municipality and does not charge any fees for these services. We customize our reporting approach to fit the needs of each governing body and attempt to promote constructive dialogue with each client.