

CITY OF SYCAMORE, ILLINOIS

308 WEST STATE STREET

SYCAMORE, ILLINOIS 60178

REQUEST FOR PROPOSAL

**FOR ACTUARIAL VALUATION SERVICES FOR
THE SYCAMORE POLICE AND FIRE PENSION FUNDS
FOR THE PERIOD ENDING APRIL 30, 2019**

ISSUED

MARCH 21, 2019

PROPOSALS DUE

APRIL 11, 2019, 4:00 PM

I. Summary Statement

The City of Sycamore is requesting proposals from certified/enrolled actuaries and actuarial consulting firms to provide a range of actuarial services and actuarial advice to the City of Sycamore in relation to the Sycamore Police Pension Fund (SPPF) and the Sycamore Firefighters Pension Fund (SFPF) for the years ending April 30, 2019, through April 30, 2021 with the right to renew the agreement for two (2) additional one-year periods, subject to acceptable performance and at the sole discretion of the City.

The City's fiscal year ends on April 30. Annual actuarial valuations must be completed by July 15 to meet audit requirements, unless an extension is granted by the City. The specific services to be provided include, but may not necessarily be limited to:

- Preparing annual actuarial valuations to develop recommended funding amounts using various funding scenarios and taking into account alternative assumptions;
- Attending meeting or meetings (in person or by teleconference) to educate Police Pension Fund members, Fire Pension Fund members, City Council and administrative staff on actuarial studies if needed;
- Providing GASB statement disclosure information for City's Comprehensive Annual Financial Report and supporting documentation as may be required by the City's auditors;
- Providing projections on future municipal contribution requirements for tax levy preparation for two City pension plans;
- Preparing annual statements for members of the Sycamore Police Pension Fund and Sycamore Firefighters Pension Fund; and
- Provide individual pension calculations for SPPF and SFPF members as needed.

The City reserves the right to reject any and all proposals. Proposals submitted will be evaluated by the City staff in coordination with representatives from the SPPF and SFPF boards of trustees. During the review process, the City has the right to request additional information and corrections from any, or all, of those submitting proposals. Once the City has reviewed the proposals, they may request oral presentations from any, or all, of those submitting proposals. All costs incurred with the submission of proposals are solely those of the proposer. The City will not reimburse any expenses of those submitting proposals.

All questions or communications pertaining to this RFP shall be presented submitted to the City of Sycamore Treasurer:

Adam Orton, City Treasurer
City of Sycamore
308 West State Street
Sycamore, IL 60178
aorton@cityofsycamore.com

II. Description of the Police Pension Fund and the Fire Pension Fund

The Sycamore Police Pension Fund, DeKalb County, Illinois, is an Article 3 pension fund organized pursuant to the Illinois Pension Code (40 ILCS 5/3) for the benefit of its members and of their surviving

spouses, children, and certain other dependents. Currently the Fund membership totals 50 active, inactive, and retired participants. As of April 30, 2018, the date of the most recent actuarial valuation report, the Pension Fund had total assets of approximately \$13.773 million.

The Sycamore Fire Pension Fund, DeKalb County, Illinois, is an Article 4 pension fund organized pursuant to the Illinois Pension Code (40 ILCS 5/4) for the benefit of its members and of their surviving spouses, children, and certain other dependents. Currently the Fund membership totals 49 active, inactive, and retired participants. As of April 30, 2018, the date of the most recent actuarial valuation report, the Pension Fund had total assets of approximately \$14.641 million.

III. Delivery of Proposals

Please forward three (3) copies of the proposal labeled “Request for Proposal for Actuarial Services” to the City Treasurer:

Adam Orton, City Treasurer
City of Sycamore
308 West State Street
Sycamore, IL 60178

The proposals must be received by 4:00 PM on April 11, 2019, to be considered.

IV. Minimum Qualifications

The actuarial consulting firm must be regularly established in the industry of providing actuarial consulting services, financially responsible and have experienced personnel able to provide the required services. The City may request information substantiating the above requirements. Failure to provide this information may result in a responder’s proposal being declared non-responsive.

- The individual(s) assigned as lead consultant(s) must have a minimum of five (5) years professional experiences in the actuarial consulting field. All actuaries shall be enrolled actuaries and shall be members of the American Academy of Actuaries.
- The actuarial consulting firm must have been in business for a minimum of five (5) years.
- The firm must have provided actuarial services to other public retirement systems or corporate pension plans which are approximately the size of complexity of the City.
- The firm must not seek to unreasonable limit its liability for negligence or breach of fiduciary duty.
- The firm must have the ability to provide Commercial General Liability Insurance coverage to the minimum standards established by the City. Limit will include, but may not be limited to:
 - Professional liability insurance with limits not less than \$1,000,000 each claim with respect to negligent acts, errors and omissions in connection with professional services to be provided under the contract, with a deductible not to exceed \$50,000 without prior written approval. This professional liability insurance will also provide indemnification and defense for injury or damage arising out of acts, errors, or omissions in providing the professional services.
 - Coverage must be provided by an insurer with a Best’s rating of no less than A-, VII and

licensed to do business in the State of Illinois.

The City retains the sole right to decide whether any Proposer is qualified to bid, including determining whether any Proposer's qualifications are sufficiently comparable to satisfy all of the above minimum qualifications.

V. Specific Required Items to be Included in the Proposal

A. Firm Information

1. Name of Firm
2. Address
3. Name, telephone number, email address and title of individual with authority to commit firm.

B. Description of Firm

1. General description of business, including size, number of employees, number of actuaries qualified to provide this service for pension funds in the State of Illinois, primary business, other business offered, and a description any past or contemplated changes in the ownership structure of the firm.
2. List current municipal or government entities for which the firm currently provides actuarial services:
 - a. Specifically highlight Illinois police and fire pension fund accounts, as well as any other Illinois public pension or municipal accounts;
 - b. Highlight the number of years the firm has worked with each client and include the size of the fund.
3. Actuaries who would have primary responsibility for the work:
 - a. Name and title
 - b. Biographies of key personnel
 - c. Years of personal experience providing actuarial services to Illinois police and fire pension funds, or other Illinois public pension funds and municipalities
 - d. Confirm membership in the American Academy of Actuaries
 - e. Designate representatives who would attend meetings.
4. Describe any special expertise and experience your firm has in providing actuarial services to Illinois public pension funds.
5. Describe your firm's insurance coverage.

6. Please provide a list of formal complaints, sanctions, or litigation against your firm in the last five (5) years.
7. Describe the competitive advantage your firm enjoys over its competitors.

C. General Information

1. Describe the approach you would follow to conduct an actuarial valuation of the Pension Fund.
2. Describe your approach to measuring funding status and funding progress in order to facilitate the assessment of trends over several actuarial valuations with respect to the overall solvency of the Pension Fund.
3. Describe your approach to assessing the current mandatory provisions of the statutes relating to actuarial valuations and recommending appropriate changes in these requirements.
4. Discuss the theory and methodology for the actuarial assumptions your firm employs.
5. Describe your firm's approach to providing recommendations regarding the amortization of unfunded liabilities.
6. Describe your firm's familiarity in preparing the GASB 67 & 68 disclosures for the municipal audit.
7. Describe the capabilities of your valuation system(s) and your computer hardware support.
8. Describe the tools, resources, and training you can make available to the Pension Fund's staff so that they can model various scenarios.
9. How are firm's recommendations to clients reviewed and monitored by your organization?

D. Fees

1. Provide a proposed fee structure, including start-up fees, annual fees, and any other fees for pension valuations.
2. Please detail which fees would be applicable to the required GASB disclosures for the pensions.
3. Please detail the additional costs for the pension plan individual annual statements and as needed pension calculations.

E. Selection Criteria

The criteria used in evaluating the proposals will include, but is not limited to, the following:

1. Quality, conciseness, clarity and completeness of the proposal, including a demonstrated

understanding of the City of Sycamore's needs relative to the actuarial services referred to in this RFP;

2. Relevant experience of the individual(s) identified and the firm as it relates primarily to actuarial services for the pension funds;
3. Suitability, appropriateness and specificity of the proposal's description of the services to be provided;
4. Commitment and dedication of necessary resources to support the City;
5. Independence of the firm;
6. Recommendations regarding actuarial assumptions and methodology;
7. Awareness of the Illinois legislative climate;
8. Insight as to the latest trends, topical issues and access to best thinking;
9. Ability to provide trustee and staff education training;
10. Fee proposals.

F. Miscellaneous

1. Please provide a list of at least three (3) Illinois pension fund client references with contract names, addresses, and telephone numbers.
2. Please state whether you are willing to attend meetings of the City Council and Pension Boards in person or by teleconference if needed.
3. If requested, what other services could your firm provide (on-site training, etc.) for the City, pension board members and staff.