

PART C: REQUEST FOR PROPOSAL – APPLICATION

THE BOROUGH OF JERSEY SHORE, PA

RFP NOTICE NUMBER: 2011-1

APPLICANT INFORMATION:

Company Name and Address: <i>Jersey Shore State Bank Financial Services</i> <i>300 Market St.</i> <i>Williamsport, Pa 17701</i>		Company's Principal Point of Contact: <i>Stephen Lowe</i>
Point of Contact's Phone Number:	(570) 320-2045	
Point of Contact's FAX Number:	(570) 322-2634	
Point of Contact's E-Mail Address:	Stephen.lowe@jssb.com	

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 municipal entity 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 INSTRUCTIONS & QUESTIONS:

GENERAL 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: Jersey Shore State Bank Financial Services has been offering investment and advisory services since 1999 through ING Financial Partners, Inc. Jersey Shore State Bank purchased the Comprehensive Financial Group in 1999, whose history dates back to 1909 as a Financial Services Provider in Williamsport, Pa.

Jersey Shore State Bank is a locally owned independent bank located in North Central Pennsylvania. Since its beginning on May 15, 1934 in Jersey Shore, Pennsylvania, the bank has enjoyed huge community support. The bank currently has 12 branches in the Pennsylvania counties of Lycoming, Clinton and Centre.

Penns Woods Bancorp, Inc., the bank's holding company was incorporated in 1983 and is located at 300 Market Street, Williamsport, PA 17701. Investment and insurance products are offered through the bank's subsidiary, The Comprehensive Financial Group.

The bank has always enjoyed consistent leadership, with only five Presidents. The bank's current President, Richard A. Grafmyre, was named to the position in October 2010. The bank currently employs approximately 200 people throughout the company.

ING is a global leader in the retirement plans industry with over 40 years of experience serving plans of all types, sizes and complexities. ING has the scale and resources to provide the solutions needed in an ever changing world. ING is the world's sixth largest insurance company based on revenue with over \$277 billion in retirement plan assets, 52,000 plans and over 6.4 million participants.

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: Jersey Shore State Bank has over 75 Municipalities and local government entities that they currently work with. ING is currently working with 99 PA Municipal Clients.

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

Response: Not known.

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

Response: Jersey Shore State Bank is currently managing just over \$75 million in assets. ING is currently managing over \$210 million in PA Municipal Assets.

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 **actuarial and 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: Stephen Lowe has been helping to service the needs of his clients since 2003 as a Financial Advisor with ING Financial Partners. Through his relationship with ING and The Comprehensive Financial Group and Jersey Shore State Bank, Stephen has extensive access to one of the Premier Retirement Plan providers in the country. ING is an industry leader dedicated to the retirement plan market; ING offers unique solutions for plans of all sizes. ING's strategic investment platforms, comprehensive fiduciary solutions and proactive sponsor services are designed to make it easier to administer your retirement plan.

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: ING offers flexible product options, hundreds of funds offered by many well known fund families to custom tailor an investment philosophy to your specific needs.

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: ING works with 99 PA Municipalities regarding their retirement plans.

7. Please indicate if there are any aspects of the desired services described under this RFP in **PART A: Detailed RFP Requirements** that your firm is **unable** to perform or provide. Please be specific as to which one(s) apply.
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: We service our clients' questions and concerns in an ever changing environment on a daily basis. We handle many calls, concerns and questions and follow up within the business day or by the next business day at the very latest. We pride ourselves on being very customer service oriented.

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: Being a local representative, any time there is a problem or an issue with any of our customers we are close enough that if a phone call does not solve the problem, we are minutes away if needed.

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: Stephen Lowe will be the point of contact for the team that will be managing this relationship. Between ING (asset management and reporting) Jersey Shore State Bank (local representation) and Conrad Siegel Actuaries we have been successfully managing this plan since January of 2007.

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?

Response: No

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.

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

Response: We have Errors and Omissions insurance coverage of \$2 million per non-ING Claim, \$4 million per ING Claim and a policy aggregate of \$30 million. We are covered by Illinois National Insurance Company.

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: There is an annual SAS-70 audit completed annually and posted publicly.

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

Response: See Conrad Siegel Actuaries answer.

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: When reviewing or taking on a new client a full review and factfinder is completed to review the risk tolerance and funding requirements of the plan. Our Actuarial requirements are reviewed by Conrad Siegel.

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: See Current Statement of Current Holdings.

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: ING has investment solutions across all asset classes including alternative assets. This allows for true diversification. Investment suggestions are reviewed and reallocated at least on an annual basis, after an annual plan review. Reallocations are completed after a thorough review and risk tolerance questionnaire is completed. Currently we use Morningstar Associates Portfolio Blueprint to provide recommended allocation suggestions.

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: Through a strategic relationship with Morningstar Associates, LLC, a leading independent investment advisory firm, ING makes available Portfolio Blueprint DB as a solution to help you manage the daunting task of meeting your fiduciary responsibilities. With this industry-leading fiduciary solution, you benefit from Morningstar Associates' acknowledgement of fiduciary responsibility for their investment advisory services under ERISA 3(21)(A)(ii) while offering your plan an independent, unbiased, professionally-developed fund portfolio and ongoing fund monitoring.

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.

Timeframe	Net Rate of Return %
Year ended – 2010	See attached returns sheet
5 years (thru 2010)	
10 years (thru 2010) or since inception*	
15 years (thru 2010) or since inception*	
Index (or Indexes) used as a Performance Benchmark:	

* If date of inception is used, please indicate so and the specific date

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: Yes.

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: Statements are sent quarterly. Currently assets are held with ING for a review of the most recent statement.

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: Please see attached "ING Map Select – Your Program Highlights" regarding fees associated with management of funds. For this proposal, assets for Jersey Shore Borough and Tiadaghton Regional Police Pension fund have been aggregated to lower costs.

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: All associated services are included in the attached proposal.

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 or types of restrictions apply to these fees?

Response: No fees, initial set-up or transfer because assets are currently being managed here.

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: No

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: We do additional meetings and reviews at no extra annual cost.

PART D: REQUEST FOR PROPOSAL – STANDARD DISCLOSURE FORM

THE BOROUGH OF JERSEY SHORE, LYCOMING COUNTY, PENNSYLVANIA

LIST OF MUNICIPAL OFFICIALS & EMPLOYEES OF THE REQUESTING MUNICIPAL ENTITY

APPLICANTS: Certain questions on this Disclosure Form will refer to a “*List of Municipal Officials.*” To assist you in preparing your answers, you should consider the following names to be a complete list of pension system and municipal officials and employees.

MUNICIPALITY: Enter below, a list of municipal officials that have any involvement in the administration or management of the pension system – Elected Officials, Appointed Officials and Employees, Board Members, or other Pension Committee Members (if applicable). Do not include employees that are not in a management position or serve on a pension committee or in a decision-making position relative to this pension system. If a category listed below is not applicable, so state.

Elected Officials:			
Name:	Title:	Name:	Title:
Marguerite Dyroff	Council President	Deborah Colocino	Council Vice President
John Pisarcik	Councilman	Wade Snyder	Councilman
Mary Green	Councilwoman	Janet Barnhart	Councilwoman
Sean Simcox	Councilman	Kenneth Scheesley	Councilman
Dennis Buttorff	Mayor		
Employees or Appointed Officials (if any):			
Name:	Title:	Name:	Title:
Shawn Lorson	Borough Manager	Gretchen Speicher	Accountant
Denise Dieter	Solicitor		
Others: Pension Committee Members (if applicable) (not listed above):			
Name:	Title:	Name:	Title:

APPLICANT STANDARD DISCLOSURE QUESTIONS

APPLICANT INSTRUCTIONS: In accordance with Chapter 7-A of Act 44, 2009, ALL applicants responding to this RFP must complete the following Standard Disclosure Form Questions.

1. Initial each question (except **Q1:**) to provide your response in the space provided to the right of each question.
2. **THEN:** provide explanations for all “*Yes*” or “*Applies*” responses **AND**, the information requested in **Q1:** on a separate sheet(s) of paper with the question you are responding to clearly noted. Attach your response sheet to this Disclosure Form.

DISCLOSURE QUESTIONS

Questions	If your answer is "Yes" or "Applies" -- Please provide this information as instructed above	RESPONSES	
		Initial Here for: "Yes" or "Applies"	Initial Here: for: "No" or "Does not Apply"
<p>Q1. Please provide the names and titles of <u>all individuals</u> who will be providing professional services to the Requesting Municipal entity's pension plan(s) identified. Also include the names and titles of <u>any advisors and subcontractors</u> of the Contractor, identifying them as such. After each name provide a description of the responsibilities of that person with regard to the professional services being provided.</p>	<p>**ALL Applicants: Provide all information as stated in the question.</p>	NA	NA
<p>Q2. Please list the name and title of any <i>Affiliated Entity</i> and their <i>Executive-level Employee(s)</i> that require disclosure; after each name, include a brief description of their duties. (See: Definitions)</p>	<p>Provide all information as stated in the question.</p>	SDL see Q1	
<p>Q3. Are any of the individuals named in Question #1 or #2 above, a current or former official or employee of the Requesting Municipal entity?</p>	<p>IF "YES", provide the name and of the person employed, their position with the municipality, and dates of employment.</p>		SDL
<p>Q4. Are any of the individuals named in Question 1 of the <u>Application</u> or Item #1 above, a current or former registered Federal or State lobbyist?</p>	<p>IF "YES", provide the name of the individual, specify whether they are a state or federal lobbyist, and the date of their most recent registration /renewal.</p>		SDL
<p>Q5. Disclose the terms of employment / compensation of any third party intermediary, agent, or lobbyist that is to directly or indirectly communicate with an official or employee of the <i>Municipal Pension System</i> of the Requesting Municipal entity (OR), any municipal official or employee of the Requesting Municipal entity in connection with any transaction or investment involving the <i>Applicant (or an Affiliated Entity)</i> and the Municipal Pension System of the Requesting Municipality?</p> <p><u>This question does not apply</u> to an officer or employee of the <i>Applicant</i> who is acting within the scope of the firm's standard professional duties on behalf of the firm, pursuant to the professional services contract with municipality's pension system.</p>	<p>IF "YES", identify:</p> <ol style="list-style-type: none"> (1) (the third party intermediary, agent, or lobbyist) whom will be paid the compensation or employed by the <i>Applicant</i> or <i>Affiliated Entity</i>, (2) their specific duties to directly or indirectly communicate with an official or employee of the <i>Municipal Pension System</i> of the Requesting Municipality (OR), any municipal official or employee of the Requesting Municipality, and (3) The official they will communicate with. 		SDL

DISCLOSURE QUESTIONS (CONTINUED)

Questions	If your answer is "Yes" or "Applies" -- Please provide this information as instructed above	RESPONSES	
		Initial Here for: "Yes" or "Applies"	Initial Here: for: "No" or "Does not Apply"
<p>Q6. Since December 17th 2009, has the <i>Applicant</i>, or any agent, officer, director or employee of the <i>Applicant</i> solicited a contribution to any municipal officer or candidate for municipal office in the Requesting Municipal entity, or to the political party or political action committee of that official or candidate?</p>	<p>IF "YES", identify the agent, officer, director or employee who made the solicitation and the municipal officials, candidates, political party or political committee who were solicited (to whom the solicitation was made).</p>		SDL
<p>Q7. Since December 17th, 2009: Has the <i>Applicant</i> or an <i>Affiliated Entity</i> made any contributions to a municipal official or any candidate for municipal office in the Requesting Municipal entity?</p>	<p>IF "YES", provide the name and address of the person(s) making the contribution, the contributor's relationship to the Applicant, the name and office or position of the person receiving the contribution, the date of the contribution, and the amount of the contribution.</p>		SDL
<p>Q8. Does the <i>Applicant</i> or an <i>Affiliated Entity</i> have any direct financial, commercial or business relationship with any official identified on the <i>List of Municipal Officials</i>, of the Requesting Municipal entity?</p>	<p>IF "YES", identify the individual with whom the relationship exists and give a detailed description of that relationship.</p>	SDL	
<p>Q9. Since December 17th, 2009: Has the <i>Applicant</i> or an <i>Affiliated Entity</i> given any gifts having more than a nominal value to any official, employee or fiduciary – specifically, those on the <i>List of Municipal Officials</i> of the Requesting Municipal entity?</p>	<p>IF "YES", Provide the name of the person conferring the gift, the person receiving the gift, the office or position of the person receiving the gift, specify what the gift was, and the date conferred.</p>		SDL
<p>Q10. Disclosure of contributions to any political entity in the Commonwealth of Pennsylvania. Applicability: A "yes" response <u>is required</u> and full disclosure is required <u>ONLY WHEN ALL</u> of the following applies:</p> <ol style="list-style-type: none"> (1) The contribution was made within the last 5 years (2) The contribution was made by an officer, director, executive-level employee or owner of at least 5% of the <i>Applicant</i> or <i>Affiliated Entity</i> (3) The amount of the contribution was at least \$500 and in the form of: A single contribution by a person in (2) above OR, the aggregate of all contributions by all persons in (2) above; (4) The contribution was made to: A candidate for any public office in the Commonwealth or any person who holds that office OR; A political committee of a candidate for public office in the Commonwealth or of an individual that holds that office. 	<p>IF "YES", provide the name and address of the person(s) making the contribution, the contributor's relationship to the <i>Applicant</i>, The name and office or position of the person receiving the contribution (or the political entity / party receiving the contribution), the date of the contribution, and the amount of the contribution.</p>		SDL

DISCLOSURE QUESTIONS (CONTINUED)

Questions	If your answer is "Yes" or "Applies" -- Please provide this information as instructed above	RESPONSES	
		Initial Here for: "Yes" or "Applies"	Initial Here: for: "No" or "Does not Apply"
<p>Q11. With respect to your provision of professional services to the Municipal Pension System of the Requesting Municipal entity: Are you aware of any apparent, potential or actual conflicts of interest with respect to any officer, director or employee of the Applicant (includes: subcontractors, advisors, or any Affiliated Entity of or for the Applicant), and any of the officials or employees of the Requesting Municipality?</p>	<p>IF "YES", Provide a detailed explanation of the circumstances which provide you with a basis to conclude that an apparent, potential, or actual conflict of interest may exist.</p>		<p>SDL</p>

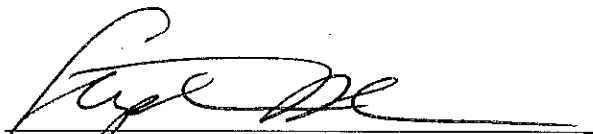
APPLICANT VERIFICATION

I, Stephen D. Lowe, hereby state that I am the Financial Adviser for
 (Name) (Position)

Jersey Shore State Bank Financial Services and I am authorized to make this verification.
 (Contractor / Company Name)

I hereby verify that the facts set forth in the foregoing Act 44 Disclosure Form for RFP Applicants seeking to provide Professional Services to the **Borough of Jersey Shore's Pension Systems** are true and correct to the best of my knowledge, information and belief. I also understand that knowingly making material misstatements or omissions in this form could subject the responding **Applicant** to the penalties in Section 705-A (e) of Act 44.

I understand that false statements herein are made subject to the penalties of 18 P.A.C.S. § 4904 relating to unsworn falsification to authorities.


 Signature

9-20-2011
 Date

Part D: Request for Proposal – Standard Disclosure Form Answers

The Borough of Jersey Shore

Q1.

Cathy Snyder – Regional Vice President, ING Retirement Services

Cathy has over 35 years experience in both ERISA and Non-ERISA defined contribution plans. She began her career as a plan administrator with Aetna Retirement Services. Her knowledge and experience led her to ING where she has served as a Client Relations Manager, Pension Specialist, and to the Regional Vice-President role. Cathy's experience enables her to take an in-depth, consultative approach with clients regarding plan design and administration. Her passion for positive retirement outcomes provide a relentless execution on plan transitions. Cathy holds FINRA Series 6 & 63 licenses as well as Insurance Licenses in Pennsylvania, Maryland, New York, and New Jersey. She also holds the Chartered Financial Consultant and Chartered Life Underwriter designations through the American College. Cathy resides in Williamsport, Pa. and covers Central, Northeastern and Lehigh Valley areas in her role with ING.

Carol Burke – Plan Manager, ING Retirement Services

Available at the home office for service questions, disbursements, etc.

John Vargo – Conrad Seigel Actuaries (see separate disclosure)

Christie Fry – Assistant to Stephen Lowe, Jersey Shore State Bank Financial Services

Available in Williamsport, Pa as assistant to Stephen Lowe.

Q8.

Deborah Colocino – Franklin Templeton Investment Account, Checking, Savings, Money Market and Mortgage

Borough of Jersey Shore – General Fund Brokerage Account, Checking, Money Market, Savings, Loan

Marguerite Dyroff – JSSB Checking

John Pisarcik – JSSB Checking and Savings

Mary H. Greene – JSSB Checking, Savings

Sean Simcox – JSSB Checking

Kenneth Scheesley – JSSB Checking

Shawn Lorson – JSSB Checking, Savings, Loan

Gretchen Speicher – ING Investments, JSSB Money Market

Denise Dieter – JSSB Checking, Savings, Mortgage Loan

PART C: REQUEST FOR PROPOSAL - APPLICATION

THE BOROUGH OF JERSEY SHORE, PA
NUMBER: 2011-0001

RFP NOTICE

APPLICANT INFORMATION:

Company Name and Address: Conrad Siegel Actuaries P.O. Box 5900 501 Corporate Circle Harrisburg, PA 17110		Company's Principal Point of Contact: John D. Vargo, F.S.A.
Point of Contact's Phone Number:	(717) 652-5633	
Point of Contact's FAX Number:	(717) 540-9106	
Point of Contact's E-Mail Address:	johnvargo@conradsiegel.com	

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.
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 proving 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:

Conrad Siegel Actuaries, The Employee Benefits Company, is an independently owned firm based in Harrisburg for nearly 50 years. We work with hundreds of Pennsylvania municipalities. The municipalities range in size from small Boroughs and Townships to large Third Class Cities.

Municipal Expertise:

- Provide actuarial services to approximately 250 Pennsylvania municipal pension plans that are covered by Act 205. We have been providing actuarial services to Pennsylvania municipalities for nearly 50 years.
- We are one of two actuaries who serve as a consultant to the Public Employee Retirement Commission. In this role, we provide actuarial notes on proposed bills that pass through the State legislature. We also consult from time to time with the Municipal Pension Department of the Auditor General's office. We have close contacts within both of these agencies and are often able to cut through the red tape to help our clients address specific issues.
- In-house systems personnel and technology—we own and maintain our own computer systems—offering the flexibility to make modifications as necessary in response to your needs and changes in regulations.
- We are a local firm with the resources and expertise of a large national firm

3. In general terms, describe the make-up of your current municipal client base:
- 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: All of our current public pension clients are Pennsylvania municipal clients.

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

Response: Approximately 90% of our public pension clients are defined benefit clients.

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

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 **actuarial and 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:

Conrad Siegel Actuaries, we are Pennsylvania's municipal pension experts. With nearly 50 years of experience in providing actuarial services to municipalities, we understand Pennsylvania's municipal pension plan system. We believe our expertise with Pennsylvania's Act 205, Act 600, and Third Class City code is second to none. Our four qualified actuaries who consult to over 150 municipal clients have close to 100 years of service with **Conrad Siegel Actuaries**. We believe we have actuarial depth that is unmatched by any other actuarial firm performing services for Pennsylvania municipal pension plans.

- David H. Killick, F.S.A. – 28 years of Pennsylvania municipal pension experience
- Jeffrey S. Myers, F.S.A. - 27 years of Pennsylvania municipal pension experience
- Thomas L. Zimmerman, F.S.A. - 27 years of Pennsylvania municipal pension experience
- John D. Vargo, F.S.A. - 15 years of Pennsylvania municipal pension experience

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.
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 ?
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.
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.
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.
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).

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:
- Any adverse criminal, civil, regulatory, or government actions against any director or principal officer in the past 5 years; or

Response: No

- Any investigation of the same nature that has occurred within the past 36 months?

Response: No

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.

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

Response:

Our firm carries Errors and Omissions insurance coverage. The carrier is XL Specialty and the limit is \$3,000,000

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?

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

- 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:

With our location in Harrisburg, PA, we feel we are on the pulse of proposed changes to State pension laws. We are one of two actuaries who serve as a consultant to the Public Employee Retirement Commission. In this role, we provide actuarial notes on proposed bills that pass through the State legislature. During the process that led to the passage of Act 44, we were constantly in contact with the Commission and provided our thoughts and insight on various aspects of the proposals which eventually resulted in the new law. At **Conrad Siegel Actuaries**, we have an Act 205 committee made up of four consulting actuaries which is responsible for monitoring regulatory changes and implementing these changes into the products we use not only to meet a municipality's reporting requirements, but to ease in the communication of the actuarial results and funding requirements.

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

Response:

We consult from time to time with the Municipal Pension Department of the Auditor General's office. We have developed close contacts within this agency and believe that we have exceptional communication with them when needed during the audit process, even when handling the occasional adverse audit finding.

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?
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.
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?
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.
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.

Timeframe	Net Rate of Return %	Index (or Indexes) used as a Performance Benchmark
Year ended – 2010		
5 years (thru 2010)		
10 years (thru 2010) or since inception*		
15 years (thru 2010) or since inception*		

* If date of inception is used, please indicate so and the specific date

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.
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.

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:

Annual Actuarial Services & Defined Benefit Administration:

- Preparation of Actuarial Valuation Report as of January 1, of each odd numbered year. The report will include benefit information on all members in the plan, as well as plan funding information. The valuation process will include a review of the actuarial assumptions as well as the plan's overall condition. Fee for 2 year period = \$2,875
- Prepare the Act 205 forms to be submitted to the Public Employee Retirement Commission every other year.
- Determine the minimum municipal obligation (MMO) required by Act 205 to be submitted by the Chief Administrative Officer to the governing body by September 30 of each year.
- Routine correspondence and phone calls regarding the plan.
- Preparation of Biennial Benefit Statements

Additional Services: (Examples include: Benefit Calculations, Plan document services, Actuarial Studies) *Hourly Rates

*We would be happy to provide a fee quote before engagement of any additional services. Hourly rates vary from \$155 for analysts to \$290 for actuarial consultants.

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.
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?
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: No

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.

PART D: REQUEST FOR PROPOSAL – STANDARD DISCLOSURE FORM

THE BOROUGH OF JERSEY SHORE, LYCOMING COUNTY, PENNSYLVANIA

LIST OF MUNICIPAL OFFICIALS & EMPLOYEES OF THE REQUESTING MUNICIPAL ENTITY

APPLICANTS: Certain questions on this Disclosure Form will refer to a “*List of Municipal Officials.*” To assist you in preparing your answers, you should consider the following names to be a complete list of pension system and municipal officials and employees.

MUNICIPALITY: Enter below, a list of municipal officials that have any involvement in the administration or management of the pension system – Elected Officials, Appointed Officials and Employees, Board Members, or other Pension Committee Members (if applicable). Do not include employees that are not in a management position or serve on a pension committee or in a decision-making position relative to this pension system. If a category listed below is not applicable, so state.

Elected Officials:			
Name:	Title:	Name:	Title:
Marguerite Dyroff	Council President	Deborah Colocino	Council Vice President
John Pisarcik	Councilman	Wade Snyder	Councilman
Mary Green	Councilwoman	Janet Barnhart	Councilwoman
Sean Simcox	Councilman	Kenneth Scheesley	Councilman
Dennis Buttorff	Mayor		
Employees or Appointed Officials (if any):			
Name:	Title:	Name:	Title:
Shawn Lorson	Borough Manager	Gretchen Speicher	Accountant
Denise Dieter	Solicitor		
Others: Pension Committee Members (if applicable) (not listed above):			
Name:	Title:	Name:	Title:

APPLICANT STANDARD DISCLOSURE QUESTIONS

APPLICANT INSTRUCTIONS: In accordance with Chapter 7-A of Act 44, 2009, ALL applicants responding to this RFP must complete the following Standard Disclosure Form Questions.

- Initial each question (except Q1:) to provide your response in the space provided to the right of each question.
- THEN:** provide explanations for all “Yes” or “Applies” responses AND, the information requested in Q1: on a separate sheet(s) of paper with the question you are responding to clearly noted. Attach your response sheet to this Disclosure Form.

DISCLOSURE QUESTIONS

Questions	If your answer is "Yes" or "Applies" Please provide this information as instructed above	RESPONSES	
		Initial Here for: "Yes" or "Applies"	Initial Here for: "No" or "Does not Apply"
<p>Q1. Please provide the names and titles of <u>all individuals</u> who will be providing professional services to the Requesting Municipal entity's pension plan(s) identified. Also include the names and titles of <u>any advisors and subcontractors</u> of the Contractor, identifying them as such. After each name provide a description of the responsibilities of that person with regard to the professional services being provided.</p>	<p>**ALL Applicants: Provide all information as stated in the question.</p>	NA	NA
<p>Q2. Please list the name and title of any <i>Affiliated Entity</i> and their <i>Executive-level Employee(s)</i> that require disclosure; after each name, include a brief description of their duties. (See: Definitions)</p>	<p>Provide all information as stated in the question.</p>		JOV
<p>Q3. Are any of the individuals named in Question #1 or #2 above, a current or former official or employee of the Requesting Municipal entity?</p>	<p>IF "YES", provide the name and of the person employed, their position with the municipality, and dates of employment.</p>		JOV
<p>Q4. Are any of the individuals named in Question 1 of the <u>Application</u> or Item #1 above, a current or former registered Federal or State lobbyist?</p>	<p>IF "YES", provide the name of the individual, specify whether they are a state or federal lobbyist, and the date of their most recent registration /renewal.</p>		JOV
<p>Q5. Disclose the terms of employment / compensation of any third party intermediary, agent, or lobbyist that is to directly or indirectly communicate with an official or employee of the <i>Municipal Pension System</i> of the Requesting Municipal entity (OR), any municipal official or employee of the Requesting Municipal entity in connection with any transaction or investment involving the <i>Applicant (or an Affiliated Entity)</i> and the <i>Municipal Pension System</i> of the Requesting Municipality?</p> <p><u>This question does not apply</u> to an officer or employee of the <i>Applicant</i> who is acting within the scope of the firm's standard professional duties on behalf of the firm, pursuant to the professional services contract with municipality's pension system.</p>	<p>IF "YES", identify:</p> <ol style="list-style-type: none"> (1) (the third party intermediary, agent, or lobbyist) whom will be paid the compensation or employed by the <i>Applicant</i> or <i>Affiliated Entity</i>, (2) their specific duties to directly or indirectly communicate with an official or employee of the <i>Municipal Pension System</i> of the Requesting Municipality (OR), any municipal official or employee of the Requesting Municipality, and (3) The official they will communicate with. 		JOV

DISCLOSURE QUESTIONS (CONTINUED)

Questions	If your answer is "Yes" or "Applies" Please provide this information as instructed above	RESPONSES	
		Initial Here for: "Yes" or "Applies"	Initial Here: for: "No" or "Does not Apply"
<p>Q6. Since December 17th 2009, has the <i>Applicant</i>, or any agent, officer, director or employee of the <i>Applicant</i> solicited a contribution to any municipal officer or candidate for municipal office in the Requesting Municipal entity, or to the political party or political action committee of that official or candidate?</p>	<p>IF "YES", identify the agent, officer, director or employee who made the solicitation and the municipal officials, candidates, political party or political committee who were solicited (to whom the solicitation was made).</p>		JAV
<p>Q7. Since December 17th, 2009: Has the <i>Applicant</i> or an <i>Affiliated Entity</i> made any contributions to a municipal official or any candidate for municipal office in the Requesting Municipal entity?</p>	<p>IF "YES", provide the name and address of the person(s) making the contribution, the contributor's relationship to the Applicant, the name and office or position of the person receiving the contribution, the date of the contribution, and the amount of the contribution.</p>		JAV
<p>Q8. Does the <i>Applicant</i> or an <i>Affiliated Entity</i> have any direct financial, commercial or business relationship with any official identified on the <i>List of Municipal Officials</i>, of the Requesting Municipal entity?</p>	<p>IF "YES", identify the individual with whom the relationship exists and give a detailed description of that relationship.</p>		JAV
<p>Q9. Since December 17th, 2009: Has the <i>Applicant</i> or an <i>Affiliated Entity</i> given any gifts having more than a nominal value to any official, employee or fiduciary – specifically, those on the <i>List of Municipal Officials</i> of the Requesting Municipal entity?</p>	<p>IF "YES", Provide the name of the person conferring the gift, the person receiving the gift, the office or position of the person receiving the gift, specify what the gift was, and the date conferred.</p>		JAV
<p>Q10. Disclosure of contributions to any political entity in the Commonwealth of Pennsylvania. Applicability: A "yes" response <u>is required</u> and full disclosure is required ONLY WHEN ALL of the following applies: (1) The contribution was made within the last 5 years (2) The contribution was made by an officer, director, executive-level employee or owner of at least 5% of the <i>Applicant</i> or <i>Affiliated Entity</i> (3) The amount of the contribution was at least \$500 and in the form of: A single contribution by a person in (2) above OR, the aggregate of all contributions by all persons in (2) above; (4) The contribution was made to: A candidate for any public office in the Commonwealth or any person who holds that office OR; A political committee of a candidate for public office in the Commonwealth or of an individual that holds that office.</p>	<p>IF "YES", provide the name and address of the person(s) making the contribution, the contributor's relationship to the <i>Applicant</i>, The name and office or position of the person receiving the contribution (or the political entity / party receiving the contribution), the date of the contribution, and the amount of the contribution.</p>	JAV	

DISCLOSURE QUESTIONS (CONTINUED)

Questions	If your answer is "Yes" or "Applies" Please provide this information as instructed above	RESPONSES	
		Initial Here for: "Yes" or "Applies"	Initial Here: for: "No" or "Does not Apply"
<p>Q11. With respect to your provision of professional services to the Municipal Pension System of the Requesting Municipal entity: Are you aware of any apparent, potential or actual conflicts of interest with respect to any officer, director or employee of the Applicant (includes: subcontractors, advisors, or any Affiliated Entity of or for the Applicant), and any of the officials or employees of the Requesting Municipality?</p>	<p>IF "YES", Provide a detailed explanation of the circumstances which provide you with a basis to conclude that an apparent, potential, or actual conflict of interest may exist.</p>		<p>JOV</p>

APPLICANT VERIFICATION

I, John D. Vargo F.S.A. hereby state that I am the Consulting Actuary for
 (Name) (Position)

Conrad Siegel Actuaries and I am authorized to make this verification.
 (Contractor / Company Name)

I hereby verify that the facts set forth in the foregoing Act 44 Disclosure Form for RFP Applicants seeking to provide Professional Services to the Borough of Jersey Shore's Pension Systems are true and correct to the best of my knowledge, information and belief. I also understand that knowingly making material misstatements or omissions in this form could subject the responding *Applicant* to the penalties in Section 705-A (e) of Act 44.

I understand that false statements herein are made subject to the penalties of 18 P.A.C.S. § 4904 relating to unsworn falsification to authorities.

JOV
 Signature

9/19/2011
 Date