



Retirement Board

Monday, January 27, 2025, 9:30 AM, Burlington City Hall, 1st Floor, Bushor Conference Room

Join from PC, Mac, iPad, or Android:

<https://zoom.us/j/97854950668>

Phone one-tap:

+13092053325,,97854950668# US

+13126266799,,97854950668# US (Chicago)

Join via audio:

+1 309 205 3325 US

Webinar ID: 978 5495 0668

International numbers available: <https://zoom.us/u/acITrTrPR>

1. Agenda

Subject	1.1. Motion to adopt agenda
Meeting	January 27, 2025 - Retirement Board Meeting - Monday, January 27, 2025, 9:30 AM, Burlington City Hall, 1st Floor, Bushor Conference Room
Category	1. Agenda
Department	Retirement Administration
Type	Action Procedural
Recommended Action	Motion to adopt agenda

2. Public Forum

Subject	2.1. Verbal Comments
Meeting	January 27, 2025 - Retirement Board Meeting - Monday, January 27, 2025, 9:30 AM, Burlington City Hall, 1st Floor, Bushor Conference Room
Category	2. Public Forum
Department	Retirement Administration

Type	Action Procedural
Recommended Action	open Public Forum close Public Forum

3. December 16, 2024 Retirement Board Meeting Minutes, Draft

Subject	3.1. December 16, 2024 Retirement Board Meeting Minutes, Draft
Meeting	January 27, 2025 - Retirement Board Meeting - Monday, January 27, 2025, 9:30 AM, Burlington City Hall, 1st Floor, Bushor Conference Room
Category	3. December 16, 2024 Retirement Board Meeting Minutes, Draft
Department	Retirement Administration
Type	Action Communication Information Minutes

4. Approve Return of Contributions

Subject	4.1. James Grondin, Class B \$3,887.63; Effective Date of Benefit: 01/01/25
Meeting	January 27, 2025 - Retirement Board Meeting - Monday, January 27, 2025, 9:30 AM, Burlington City Hall, 1st Floor, Bushor Conference Room
Category	4. Approve Return of Contributions
Department	Retirement Administration
Type	Action

Recommended Action approve return of contribution for James Grondin

Subject	4.2. Erin Murphy, Class B \$9,111.57; Effective Date of Benefit: 02/01/25
Meeting	January 27, 2025 - Retirement Board Meeting - Monday, January 27, 2025, 9:30 AM, Burlington City Hall, 1st Floor, Bushor Conference Room
Category	4. Approve Return of Contributions
Department	Retirement Administration
Type	Action

Recommended Action approve return of contribution for Erin Murphy

Subject	4.3. Michael A. Ploof, Class B, \$13,640.78; Effective Date of Benefit: 01/01/25
Meeting	January 27, 2025 - Retirement Board Meeting - Monday, January 27, 2025, 9:30 AM, Burlington City Hall, 1st Floor, Bushor Conference Room
Category	4. Approve Return of Contributions
Department	Retirement Administration

Type	Action
Recommended Action	approve return of contribution for Michael A. Ploof
Subject	4.4. Jacob Dion, Class B \$5,611.01; Effective Date of Benefit: 01/01/25
Meeting	January 27, 2025 - Retirement Board Meeting - Monday, January 27, 2025, 9:30 AM, Burlington City Hall, 1st Floor, Bushor Conference Room
Category	4. Approve Return of Contributions
Department	Retirement Administration
Type	Action
Recommended Action	approve return of contribution for Jacob Dion
Subject	4.5. Jeremy J. Parent, Class B \$24,534.42; Effective Date of Benefit: 02/01/25
Meeting	January 27, 2025 - Retirement Board Meeting - Monday, January 27, 2025, 9:30 AM, Burlington City Hall, 1st Floor, Bushor Conference Room
Category	4. Approve Return of Contributions
Department	Retirement Administration
Type	Action
Recommended Action	approve return of contribution for Jeremy J. Parent
Subject	4.6. James Tracy, Class B \$809.90; Effective Date of Benefit: 02/01/25
Meeting	January 27, 2025 - Retirement Board Meeting - Monday, January 27, 2025, 9:30 AM, Burlington City Hall, 1st Floor, Bushor Conference Room
Category	4. Approve Return of Contributions
Department	Retirement Administration
Type	Action
Recommended Action	approve return of contribution for James Tracy
Subject	4.7. Elyce Sheryl Hiller, Class B \$4,563.57; Effective Date of Benefit: 02/01/25
Meeting	January 27, 2025 - Retirement Board Meeting - Monday, January 27, 2025, 9:30 AM, Burlington City Hall, 1st Floor, Bushor Conference Room
Category	4. Approve Return of Contributions
Department	Retirement Administration
Type	Action
Recommended Action	approve return of contribution for Elyce Sheryl Hiller
Subject	4.8. Monica L. Gingras, Class B \$3,843.29; Effective Date of Benefit: 02/01/25

Meeting	January 27, 2025 - Retirement Board Meeting - Monday, January 27, 2025, 9:30 AM, Burlington City Hall, 1st Floor, Bushor Conference Room
Category	4. Approve Return of Contributions
Department	Retirement Administration
Type	Action
Recommended Action	approve return of contribution for Monica L. Gingras
Subject	4.9. Julie A. Brigante, Class B \$1,859.21; Effective Date of Benefit: 02/01/25
Meeting	January 27, 2025 - Retirement Board Meeting - Monday, January 27, 2025, 9:30 AM, Burlington City Hall, 1st Floor, Bushor Conference Room
Category	4. Approve Return of Contributions
Department	Retirement Administration
Type	Action
Recommended Action	approve return of contribution for Julie A. Brigante
Subject	4.10. Abdulrazak Abdulrazak, Class B \$1,686.34; Effective Date of Benefit: 02/01/25
Meeting	January 27, 2025 - Retirement Board Meeting - Monday, January 27, 2025, 9:30 AM, Burlington City Hall, 1st Floor, Bushor Conference Room
Category	4. Approve Return of Contributions
Department	Retirement Administration
Type	Action
Recommended Action	approve return of contribution for Abdulrazak Abdulrazak

5. Approve Retirement Applications

Subject	5.1. Wade Labrecque, Class A \$8,789.89; Effective Date of Benefit: 01/01/25; Payment Date: 01/15/25
Meeting	January 27, 2025 - Retirement Board Meeting - Monday, January 27, 2025, 9:30 AM, Burlington City Hall, 1st Floor, Bushor Conference Room
Category	5. Approve Retirement Applications
Department	Retirement Administration
Type	Action
Recommended Action	approve retirement application for Wade Labrecque
Subject	5.2. Jamie L. Valyou, Class A \$10,040.16; Effective Date of Benefit: 12/01/24; Payment Date: 12/15/24

Meeting	January 27, 2025 - Retirement Board Meeting - Monday, January 27, 2025, 9:30 AM, Burlington City Hall, 1st Floor, Bushor Conference Room
Category	5. Approve Retirement Applications
Department	Retirement Administration
Type	Action
Recommended Action	approve retirement application for Jamie L. Valyou
Subject	5.3. Jane Hackley, Class B \$4,538.77; Effective Date of Benefit: 01/01/25; Payment Date: 01/15/25
Meeting	January 27, 2025 - Retirement Board Meeting - Monday, January 27, 2025, 9:30 AM, Burlington City Hall, 1st Floor, Bushor Conference Room
Category	5. Approve Retirement Applications
Department	Retirement Administration
Type	Action
Recommended Action	approve retirement application for Jane Hackley

6. Administrative Update

Subject	6.1. Reconciliation of Benefits
Meeting	January 27, 2025 - Retirement Board Meeting - Monday, January 27, 2025, 9:30 AM, Burlington City Hall, 1st Floor, Bushor Conference Room
Category	6. Administrative Update
Department	Retirement Administration
Type	Information Discussion
Subject	6.2. Contract with USI (formerly known as H&H) - expected executive session
Meeting	January 27, 2025 - Retirement Board Meeting - Monday, January 27, 2025, 9:30 AM, Burlington City Hall, 1st Floor, Bushor Conference Room
Category	6. Administrative Update
Department	Retirement Administration
Type	Action Procedural
Recommended Action	1. Move to make a specific finding that premature general public knowledge of procurement and negotiations of contracts for professional financial services would clearly place the City at a substantial disadvantage; and 2. Based upon such finding, move to enter executive session pursuant to 1 VSA 313(a)(1)(A).

Subject	6.3. Contract with Fiducient (formerly known as DiMeo Schneider & Associates) - expected executive session
Meeting	January 27, 2025 - Retirement Board Meeting - Monday, January 27, 2025, 9:30 AM, Burlington City Hall, 1st Floor, Bushor Conference Room
Category	6. Administrative Update
Department	Retirement Administration
Type	Action Procedural
Recommended Action	1. Move to make a specific finding that premature general public knowledge of procurement and negotiations of contracts for professional financial services would clearly place the City at a substantial disadvantage; and 2. Based upon such finding, move to enter executive session pursuant to 1 VSA 313(a)(1)(A).

Subject	6.4. City indirect costs
Meeting	January 27, 2025 - Retirement Board Meeting - Monday, January 27, 2025, 9:30 AM, Burlington City Hall, 1st Floor, Bushor Conference Room
Category	6. Administrative Update
Department	Retirement Administration
Type	Information Discussion

7. Fiducient

Subject	7.1. Investment Review as of 12/31/2024
Meeting	January 27, 2025 - Retirement Board Meeting - Monday, January 27, 2025, 9:30 AM, Burlington City Hall, 1st Floor, Bushor Conference Room
Category	7. Fiducient
Department	Retirement Administration
Type	Information Discussion

Subject	7.2. Fiducient's 2025 Outlook and Capital Market Assumptions
Meeting	January 27, 2025 - Retirement Board Meeting - Monday, January 27, 2025, 9:30 AM, Burlington City Hall, 1st Floor, Bushor Conference Room
Category	7. Fiducient
Department	Retirement Administration
Type	Discussion Information

8. Adjournment

Subject	8.1. Motion to adjourn
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Meeting	January 27, 2025 - Retirement Board Meeting - Monday, January 27, 2025, 9:30 AM, Burlington City Hall, 1st Floor, Bushor Conference Room
Category	8. Adjournment
Department	Retirement Administration
Type	Action Procedural
Recommended Action	Motion to adjourn

**BURLINGTON RETIREMENT (BERS) BOARD
REMOTE MEETING WITH CALL-IN
BURLINGTON, VERMONT
MINUTES OF MEETING
DRAFT
December 16, 2024**

MEMBERS PRESENT:

Munir Kasti, Vice Chair
David Mount
Kyle Blake
Paul Olsen
Katherine Schad

OTHERS PRESENT:

Hayley McClenahan
Brad Kukenberger
Lynn Reagan
Kate Pizzi
Chris Rowllins

1. CALL TO ORDER

Munir Kasti called the Retirement Board meeting to order at 9:47 AM.

MOTION by Kyle Blake, SECOND by Paul Olsen, to approve the agenda as presented.

VOTING: unanimous; motion carries.

2. PUBLIC FORUM (VERBAL)

2.1 Verbal Comments
None.

3. APPROVE MINUTES

3.1 November 18, 2024 Retirement Board Meeting Minutes, Draft

MOTION by Kyle Blake, SECOND by David Mount, to approve the minutes of November 18, 2024.

VOTING: unanimous; motion carries.

4. APPROVE RETURN OF CONTRIBUTIONS

4.1 Nicoletta Salvatore, Class B \$2,166.65; Effective Date of Benefit: 1/01/2025
4.2 Sophia Haley, Class B \$1,089.654; Effective Date of Benefit: 1/01/2025
4.3 Scott Hannigan, Class B \$7,316.62; Effective Date of Benefit: 1/01/2025
4.4 Michael Malak, Class A \$6,691.07. Effective Date of Benefit: 01/01/2025
4.5 Sabrina Wing, Class B \$363.61; Effective Date of Benefit: 01/01/2025
4.6 Amanda Robertson, Class B \$5,779.79; Effective Date of Benefit: 01/01/2025

MOTION by David Mount, SECOND by Paul Olsen, to approve the returns of contributions as presented.

VOTING: unanimous; motion carries.

5. APPROVE RETIREMENT APPLICATIONS

5.1 Deborah Kirby, Class B \$31.86; Effective Date of Benefit: 12/01/2024; Payment Date: 12/15/2024

5.2 George Bennis, Sr., Class B \$217.71; Effective Date of Benefit: 11/01/2024; Payment Date: 11/15/2024

5.3 Matthew White, Class A \$5,142.12; Effective Date of Benefit: 11/01/2024; Payment Date: 11/15/2024

5.4 Sean Foley, Class B \$192.23; Effective Date of Benefit: 2/01/2025; Payment Date: 2/15/2025

5.5 Derek R. Libby, Class A \$8,392.06; Effective Date of Benefit: 11/01/2024; Payment Date: 11/15/2024

5.6 John Choate, Class B \$597.19; Effective Date of Benefit: 1/01/2025; Payment Date: 1/15/2025

5.7 Laurie D. Lemieux, Class B \$5,655.69; Effective Date of Benefit: 11/01/2024; Payment Date: 11/15/2024

5.8 Naomi Fletcher, Class B \$1,343.54; Effective Date of Benefit: 1/01/2025; Payment Date: 1/15/2025

5.9 Lisa Martin, Class B \$340.82; Effective Date of Benefit: 10/01/2024; Payment Date: 11/15/2024

MOTION by Paul Olsen, SECOND by Kyle Blake, to approve the retirement applications as presented.

VOTING: unanimous; motion carries.

6. ADMINISTRATIVE UPDATE

6.1 Updates from Questions during November 18, 2024 Meeting – C/T

Finance Director Kukenberger provided follow-up information related to three items raised during the November 18, 2024 meeting. He began by noting an updated version of the reconciliation of the prepaid pension benefits that discretely breaks out the department employee contributions, saying that the information includes charges related to participation in other groups that pay into the pension, by department and employee contribution by month, netted against claims and benefits and accounting for expenses and miscellaneous adjustments. Mr. Blake asked why the expenses haven't carried through the reconciliation, and Finance Director Kukenberger replied that none of those expenses have been incurred to date and that they typically occur in the springtime. Mr. Blake said he would also like to see what the estimated ADEC was going to be for this fiscal year and how it is being chipped away by the 70/30 split. Finance Director Kukenberger replied that the ADEC is USI's estimate for what the City needs to contribute to the fund now given the way the fund is behaving and how liabilities are currently stacking up. He clarified that there is a difference between the claims and benefits the City's General Fund pays out initially and the collections for employee/department contributions, and that the difference is what is showing in the balance due to/from BERS line in the calculations. He said that the City departments/employees aren't owed back \$1.2 million, but that the General Fund is owed back \$1.2 million. Mr. Blake said he would like to see a running total of what the ADEC is to start the year and how it changes over time, to further show how the year is unfolding on a cash basis. Finance Director Kukenberger then spoke about how this highlights that having a defined cash management policy would be helpful, which is something staff are working on. He noted that generally, having the City prepay benefits and have money due from the BERS fund is better, because the BERS fund is generating interest and the longer more cash can sit in the fund and generate interest, the better. He said that in the draft cash management policy, they propose a ceiling for how much BERS or the City can owe each other (proposed at \$5 million). Mr. Mount asked why expenses were so much higher in October than in other months, and Finance Director Kukenberger replied that October was a month with more pay periods than most other months.

Finance Director Kukenberger then spoke about the second follow-up item from the November 18 meeting, which is a breakdown of expenses for the BERS fund. He said there are four main areas of expenses, which include estimated financial management fees, actuarial services from USI, financial management services from Fiducient, and indirect City costs (which include portions of staffing). Mr.

Blake asked when the contracts for Fiducient and USI are up for renegotiation, and Finance Director Kukenberger replied that he will follow up via email.

Finance Director Kukenberger then provided an overview of the third item, the above-noted draft policy for General Fund and Pension Fund cash flow management. He said the policy formalizes guidelines for managing temporary receivables between the City's General Fund and Pension Fund, which ensures efficient cash flow management while maintaining the financial integrity of both funds. He said that the policy also recognizes that there will be times or certain conditions where the City needs to collect on those receivables sooner or outside of the normal cycle, and sets a limit (proposed at \$5 million in this draft) for how much one fund can owe the other at a given time. He said the policy outlines the reimbursement process when the General Fund collects on receivables from the Pension Fund. He requested feedback from the BERS Board on the timeframe for collection upon request, recommending that the minimum notice be no fewer than 30 days. He also noted that the policy would require the City to notify the BERS Board prior to collecting accrued receivables, as well as provide a summary of receivable amounts and anticipated reimbursement timeline. Mr. Blake noted that the language as proposed doesn't require reconciliation at the end of every fiscal year, but simply says the Pension Fund can carry up to \$5 million in funds owed. Finance Director Kukenberger said he would like to get the auditors' opinion on the draft policy and see if they have additional input. Mr. Blake said he would also like feedback from Fiducient about the proposed policy, and whether they would advise handling the true-up in a different or more proactive way. Ms. Pizzi said that she would recommend the timeframe for reimbursement to be no less than 90 days, and also recommended including language in the investment policy statement to allow for flexibility around timing and frequency of true-ups between the Pension Fund and General Fund. The BERS Board agreed with this suggestion and Ms. Pizzi said she will follow up in the next meeting or two with draft language.

6.2 Additional Information Requests from the Board
None.

7. FIDUCIENT

7.1 BERS – November 2024 Flash Report

Mr. Rowlinson began by speaking about capital market performance for the month of November. He noted that interest rates were cut by the Federal Reserve for a second time this year in November, which resulted in higher bond prices in the fixed-income space. He also spoke about equities, noting that Trump's proposed policies around tariffs and deregulation bode well for U.S. equities, especially small cap equities, which saw strong performance for November. He spoke about weaker performance in global equities for the month, in both developed and emerging markets.

Ms. Pizzi then spoke about the impacts of market performance on the BERS portfolio. She began by noting that the total assets for the plan as of the end of November were approximately \$260 million. She spoke briefly about asset allocation, with target allocations of 27% in fixed income, 69% in equities, and 4% in real assets. She noted that the portfolio is overweight by 2.7% in U.S. equities, which reflects the outperformance of US equities over global equities, and that they are comfortable with leaving that overweight there for now. Mr. Mount noted that global equities have been underperforming compared to U.S. equities for a number of years now and asked why one third of the BERS portfolio continues to be allocated to that asset class. Ms. Pizzi replied that U.S. has outperformed international markets for the last 15 years, and that the investment strategy for this portfolio is a long-term one, and looks across multiple market environments. She noted that U.S. markets have become incredibly expensive and concentrated, which introduces heightened risk within the portfolio if there isn't enough diversification and exposure to international markets. She said international equities have a very important role in the portfolio, and wouldn't recommend reducing that allocation. Mr. Rowlinson added that they think active management could also play an important role within the equities space of mitigating risk and being complementary to a passive approach. Ms. Pizzi noted that in terms of portfolio performance, the portfolio was up 2.9% for the month of November, resulting in a fiscal year-to-date increase of 6.7%. Mr. Blake noted that bitcoin is now more attainable than it had been previously and asked whether other pension funds are investing in it, and Ms. Pizzi said they should add this to the agenda for next month's meeting for discussion.

8. ADJOURNMENT

8.1 Motion to Adjourn

MOTION by Kyle Blake, SECOND by Paul Olsen, to adjourn the meeting.

VOTING: unanimous; motion carries.

The meeting adjourned at 10:57 AM.

RScty: AACoonrad



CONSULTING
GROUP

USICG Participant Service Center
95 Glastonbury Blvd. STE 102
Glastonbury, CT 06033-4456

James Grondin

December 18, 2024

Re: Burlington Employees' Retirement System - Refund of Employee Contributions

Dear Mr. Grondin:

We have received your completed election forms regarding your pension benefit under the Burlington Employees' Retirement System. As outlined in the original cover letter, because your completed forms were received after the benefit commencement date shown on the forms package, your benefit amount must be recalculated for a current payment date. We have now calculated your final benefit amount. Your benefit payable as a return of employee contributions under Class A as of January 1, 2025 is **\$3,887.63**. You will receive this amount, less any withholding.

The Participant Service Center is ready to assist you with any questions you may have.



Call the Participant Service Center at 1.866.495.3548 between 8:30 am and 4:30 pm ET, Monday – Friday. (Multilingual Services are available)



Send an email to ServiceCenter@pensionedge.com. Please note "City of Burlington, VT" in your subject line. **If emailing confidential information**, please contact the Participant Service Center first to receive a secure email link.



Send by mail to USI Consulting Group, ATTN: USICG Participant Service Center, 95 Glastonbury Blvd, STE 102, Glastonbury, CT 06033

Calculation of Return of Employee Contributions

Burlington Employees' Retirement System

Form A

Erin Murphy

IMPORTANT: City of Burlington reserves the right to correct any errors in the Calculation of Benefit Options. If it is determined at any time that the information provided in this Pension Distribution Kit conflicts with the terms of the Plan, the terms of the Plan will govern. Under the law, a plan must be operated in accordance with its terms and errors must be corrected. As a Plan participant, you may have made post-tax contributions to the Plan. As a result, a portion of your benefit may be non-taxable. **Consult with your tax advisor if you have any questions.**

Information Used in Determination

Participant Name:	Erin Murphy	Class:	B
Date of Birth:		Department:	AFSCME Local 1343
Date of Hire:	10/18/2018	Post-Tax Employee Contributions:	\$0.00
Date of Termination:	11/05/2024	Normal Retirement Date (NRD):	07/12/2046
Date of Participation:	05/11/2021	Payment Start Date:	02/01/2025
Beneficiary Date of Birth:		Vesting Percentage:	0.0000%

Determination of Employee Contribution Balance with Interest

<u>Period Ending</u>	<u>Description</u>	<u>Transaction</u>	<u>Balance at End of Period</u>
06/30/2022	Contributions	\$2,992.78	\$2,992.78
06/30/2022	Interest at 2%	\$0.00	\$2,992.78
06/30/2023	Contributions	\$2,650.71	\$5,643.49
06/30/2023	Interest at 2%	\$59.86	\$5,703.35
06/30/2024	Contributions	\$2,226.79	\$7,930.14
06/30/2024	Interest at 2%	\$114.07	\$8,044.21
11/05/2024	Contributions	\$973.90	\$9,018.11
01/31/2025	Interest at 2%	\$93.46	\$9,111.57

(1) Pre-Tax Employee Contributions (Taxable):	\$8,844.18
(2) Interest Accrued on Employee Contributions (5.5% through 12/31/2017, 2% thereafter):	\$267.39
(3) Total Return of Employee Contributions with Interest:	\$9,111.57

Determination of Taxable Portion of Benefit

<u>Form of Payment</u>	<u>Total Benefit</u>	<u>Taxable Portion</u>	<u>Non-Taxable Portion</u>
Return of Contributions	\$9,111.57	\$9,111.57	0.00

Calculation of Benefit Options

Form A

Burlington Employees' Retirement System, Class B - IBEW Local 300

Michael A. Ploof

IMPORTANT: City of Burlington reserves the right to correct any errors in the Calculation of Benefit Options. If it is determined at any time that the information provided in this Pension Distribution Kit conflicts with the terms of the Plan, the terms of the Plan will govern. Under the law, a plan must be operated in accordance with its terms and errors must be corrected.

Type of Calculation

Vested - Regular Retirement

Information Used in Benefit Determination

Participant Name:	Michael A. Ploof	Class:	B
Date of Birth:		Department:	IBEW Local 300
Date of Hire:	05/20/2019	Vesting Percentage:	100.0000%
Date of Termination:	10/21/2024	Normal Retirement Date (NRD):	03/26/2064
Beneficiary Date of Birth:	N/A	Payment Start Date:	01/01/2025
		Employee Contribution Balance w/ Interest as of 01/01/2025:	\$13,640.78

Earnings

Average Final Compensation*: \$52,067.76

Determination of Benefit Amount

(1) Years of Creditable Service (CS)	5.41667
(2) Years of CS on or prior to 05/04/2008 [(2) + (3) is not to exceed 25 years]	0.00000
(3) Years of CS after 05/04/2008 [(2) + (3) is not to exceed 25 years]	5.41667
(4) Years of CS in excess of 25 years	N/A

COLA Option Full COLA

(5) Accrual Rate on or prior to 05/04/2008 (not to exceed 25 years)	1.400%
(6) Accrual Rate after 05/04/2008 (not to exceed 25 years)	1.400%
(7) Accrual Rate in excess of 25 years	0.500%
(8) Retirement Accrual Percentage = [(2) x (5)] + [(3) x (6)] + [(4) x (7)]	7.5833%
(9) Monthly Vested Benefit Payable at NRD = (8) x Average Final Compensation / 12 x Vesting Percentage	\$329.04
(10) Early Retirement Reduction Factor	1.0000
(11) Monthly Vested Benefit Payable at Normal Retirement Date = (9) x (10)	\$329.04

Benefit Options – payable at Normal Retirement Date

Form of Payment	Full COLA		
	Option Factor	Initial Benefit	Survivor's Benefit ⁽¹⁾
Straight Life Annuity	1.0941	\$360.00	**
10 Year Certain & Life Annuity	1.0000	\$329.04	\$329.04
100% Joint & Survivor Annuity	N/A	N/A	N/A
50% Joint & Survivor Annuity	N/A	N/A	N/A
100% Joint & Survivor Pop-Up Annuity	N/A	N/A	N/A
50% Joint & Survivor Pop-Up Annuity	N/A	N/A	N/A

Benefit Options – payable at Payment Start Date

Return of Employee Contributions (100% taxable)	N/A	\$13,640.78	N/A
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(1) **Survivor Benefits:** for the Joint and Survivor Annuity payments, the survivor's benefit is only payable if the chosen survivor is alive upon the participant's death. If the chosen survivor is not alive, then no additional benefit is payable upon participant death. The choice of survivor may not be changed after benefit payments have commenced.

* Average is of the five highest years of base earnings

** Amount in excess (if any) of accumulated employee contributions, with interest, over payments made

Calculation of Return of Employee Contributions

Burlington Employees' Retirement System

Form A

Jacob Dion

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Information Used in Determination

Participant Name:	Jacob Dion	Class:	B
Date of Birth:		Department:	AFSCME Local 1343
Date of Hire:	02/28/2019	Post-Tax Employee Contributions:	\$0.00
Date of Termination:	04/20/2022	Normal Retirement Date (NRD):	11/13/2064
Beneficiary Date of Birth:	N/A	Payment Start Date:	01/01/2025
		Vesting Percentage:	0.0000%

Determination of Employee Contribution Balance with Interest

<u>Period Ending</u>	<u>Description</u>	<u>Transaction</u>	<u>Balance at End of Period</u>
06/30/2019	Contributions	\$354.53	\$354.53
06/30/2019	Interest at 2%	\$0.00	\$354.53
06/30/2020	Contributions	\$1,498.56	\$1,853.09
06/30/2020	Interest at 2%	\$7.09	\$1,860.18
06/30/2021	Contributions	\$1,707.70	\$3,567.88
06/30/2021	Interest at 2%	\$37.20	\$3,605.08
04/20/2022	Contributions	\$1,662.81	\$5,267.89
06/30/2022	Interest at 2%	\$72.10	\$5,339.99
06/30/2023	Interest at 2%	\$106.80	\$5,446.79
06/30/2024	Interest at 2%	\$108.94	\$5,555.73
12/31/2024	Interest at 2%	\$55.28	\$5,611.01

(1) Pre-Tax Employee Contributions (Taxable):	\$5,223.60
(2) Interest Accrued on Employee Contributions (5.5% through 12/31/2017, 2% thereafter):	\$387.41
(3) Total Return of Employee Contributions with Interest:	\$5,611.01

Determination of Taxable Portion of Benefit

<u>Form of Payment</u>	<u>Total Benefit</u>	<u>Taxable Portion</u>	<u>Non-Taxable Portion</u>
Return of Contributions	\$5,611.01	\$5,611.01	0.00

Calculation of Benefit Options

Form A

Burlington Employees' Retirement System, Class B - IBEW Local 300

Jeremy J. Parent

IMPORTANT: City of Burlington reserves the right to correct any errors in the Calculation of Benefit Options. If it is determined at any time that the information provided in this Pension Distribution Kit conflicts with the terms of the Plan, the terms of the Plan will govern. Under the law, a plan must be operated in accordance with its terms and errors must be corrected.

Type of Calculation

Vested - Regular Retirement

Information Used in Benefit Determination

Participant Name:	Jeremv J. Parent	Class:	B
Date of Birth:		Department:	IBEW Local 300
Date of Hire:	06/13/2017	Vesting Percentage:	100.0000%
Date of Termination:	08/13/2024	Normal Retirement Date (NRD):	09/19/2053
Beneficiary Date of Birth:	N/A	Payment Start Date:	02/01/2025
		Employee Contribution Balance w/ Interest as of 02/01/2025:	\$24,534.42

Earnings

Average Final Compensation*: \$73,393.92

Determination of Benefit Amount

(1) Years of Creditable Service (CS)	7.16667
(2) Years of CS on or prior to 05/04/2008 [(2) + (3) is not to exceed 25 years]	0.00000
(3) Years of CS after 05/04/2008 [(2) + (3) is not to exceed 25 years]	7.16667
(4) Years of CS in excess of 25 years	N/A

COLA Option	Full COLA
(5) Accrual Rate on or prior to 05/04/2008 (not to exceed 25 years)	1.400%
(6) Accrual Rate after 05/04/2008 (not to exceed 25 years)	1.400%
(7) Accrual Rate in excess of 25 years	0.500%
(8) Retirement Accrual Percentage = [(2) x (5)] + [(3) x (6)] + [(4) x (7)]	10.0333%
(9) Monthly Vested Benefit Payable at NRD = (8) x Average Final Compensation/12 x Vesting Percentage	\$613.65
(10) Early Retirement Reduction Factor	1.0000
(11) Monthly Vested Benefit Payable at Normal Retirement Date = (9) x (10)	\$613.65

Benefit Options – payable at Normal Retirement Date

Form of Payment	Full COLA		
	Option Factor	Initial Benefit	Survivor's Benefit ⁽¹⁾
Straight Life Annuity	1.0941	\$671.39	**
10 Year Certain & Life Annuity	1.0000	\$613.65	\$613.65
100% Joint & Survivor Annuity	N/A	N/A	N/A
50% Joint & Survivor Annuity	N/A	N/A	N/A
100% Joint & Survivor Pop-Up Annuity	N/A	N/A	N/A
50% Joint & Survivor Pop-Up Annuity	N/A	N/A	N/A

Benefit Options – payable at Payment Start Date

Return of Employee Contributions (100% taxable)	N/A	\$24,534.42	N/A
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(1) **Survivor Benefits:** for the Joint and Survivor Annuity payments, the survivor's benefit is only payable if the chosen survivor is alive upon the participant's death. If the chosen survivor is not alive, then no additional benefit is payable upon participant death. The choice of survivor may not be changed after benefit payments have commenced.

* Average is of the five highest years of base earnings

**Amount in excess (if any) of accumulated employee contributions, with interest, over payments made



CONSULTING
GROUP

USICG Participant Service Center
95 Glastonbury Blvd. STE 102
Glastonbury, CT 06033-4456

James Tracy

January 13, 2025

Re: Your Pension Benefit from the Burlington Employees' Retirement System

Dear Mr. Tracy:

We had previously sent you a Pension Distribution Kit related to your benefit from the above Plan. As noted in that package, since you did not make an election by January 1, 2025, your return of employee contributions benefit will be automatically rolled into an IRA managed by Schwab. Your benefit has been recalculated to include interest through February 1, 2025. Your final benefit amount payable as a return of employee contributions is **\$809.90**. This amount will be rolled over into the IRA as soon as administratively possible.

The Participant Service Center is ready to assist you with any questions you may have.



Call the Participant Service Center at 1.866.495.3548 between 8:30 am and 4:30 pm ET, Monday – Friday. (Multilingual Services are available)



Send an email to ServiceCenter@pensionedge.com. Please note "City of Burlington, VT" in your subject line. **If emailing confidential information**, please contact the Participant Service Center first to receive a secure email link.



Send by mail to USI Consulting Group, ATTN: USICG Participant Service Center, 95 Glastonbury Blvd, STE 102, Glastonbury, CT 06033

Calculation of Return of Employee Contributions

Burlington Employees' Retirement System

Form A

Elyce Sheryl Hiller

IMPORTANT: City of Burlington reserves the right to correct any errors in the Calculation of Benefit Options. If it is determined at any time that the information provided in this Pension Distribution Kit conflicts with the terms of the Plan, the terms of the Plan will govern. Under the law, a plan must be operated in accordance with its terms and errors must be corrected. As a Plan participant, you may have made post-tax contributions to the Plan. As a result, a portion of your benefit may be non-taxable. **Consult with your tax advisor if you have any questions.**

Information Used in Determination

Participant Name:	Elyce Sheryl Hiller	Class:	B
Date of Birth:		Department:	School
Date of Hire:	08/28/2017	Post-Tax Employee Contributions:	\$0.00
Date of Participation:	08/20/2020	Normal Retirement Date (NRD):	08/20/2025
Date of Termination:	06/14/2024	Payment Start Date:	02/01/2025
Beneficiary Date of Birth:		Vesting Percentage:	0.0000%

Determination of Employee Contribution Balance with Interest

<u>Period Ending</u>	<u>Description</u>	<u>Transaction</u>	<u>Balance at End of Period</u>
06/30/2021	Contributions	\$1,001.66	\$1,001.66
06/30/2021	Interest at 2%	\$0.00	\$1,001.66
06/30/2022	Contributions	\$1,103.66	\$2,105.32
06/30/2022	Interest at 2%	\$20.03	\$2,125.35
06/30/2023	Contributions	\$1,212.14	\$3,337.49
06/30/2023	Interest at 2%	\$42.51	\$3,380.00
06/14/2024	Contributions	\$1,063.56	\$4,443.56
06/30/2024	Interest at 2%	\$67.60	\$4,511.16
01/31/2025	Interest at 2%	\$52.41	\$4,563.57

(1) Pre-Tax Employee Contributions (Taxable):	\$4,381.02
(2) Interest Accrued on Employee Contributions (5.5% through 12/31/2017, 2% thereafter):	\$182.55
(3) Total Return of Employee Contributions with Interest:	\$4,563.57

Determination of Taxable Portion of Benefit

<u>Form of Payment</u>	<u>Total Benefit</u>	<u>Taxable Portion</u>	<u>Non-Taxable Portion</u>
Return of Contributions	\$4,563.57	\$4,563.57	0.00

Calculation of Return of Employee Contributions

Form A

Burlington Employees' Retirement System

Monica L. Gingras

IMPORTANT: City of Burlington reserves the right to correct any errors in the Calculation of Benefit Options. If it is determined at any time that the information provided in this Pension Distribution Kit conflicts with the terms of the Plan, the terms of the Plan will govern. Under the law, a plan must be operated in accordance with its terms and errors must be corrected. As a Plan participant, you may have made post-tax contributions to the Plan. As a result, a portion of your benefit may be non-taxable. **Consult with your tax advisor if you have any questions.**

Information Used in Determination

Participant Name:	Monica L. Gingras	Class:	B
Date of Birth:		Department:	School
Date of Hire:	08/26/2011	Post-Tax Employee Contributions:	\$0.00
Date of Termination:	01/28/2016	Normal Retirement Date (NRD):	07/25/2024
Beneficiary Date of Birth:	N/A	Payment Start Date:	02/01/2025
		Vesting Percentage:	0.0000%

Determination of Employee Contribution Balance with Interest

<u>Period Ending</u>	<u>Description</u>	<u>Transaction</u>	<u>Balance at End of Period</u>
06/30/2012	Contributions	\$571.95	\$571.95
06/30/2012	Interest at 5.5%	\$0.00	\$571.95
06/30/2013	Contributions	\$588.94	\$1,160.89
06/30/2013	Interest at 5.5%	\$31.46	\$1,192.35
06/30/2014	Contributions	\$606.54	\$1,798.89
06/30/2014	Interest at 5.5%	\$65.58	\$1,864.47
06/30/2015	Contributions	\$621.74	\$2,486.21
06/30/2015	Interest at 5.5%	\$102.55	\$2,588.76
01/28/2016	Contributions	\$351.39	\$2,940.15
06/30/2016	Interest at 5.5%	\$142.38	\$3,082.53
06/30/2017	Interest at 5.5%	\$169.54	\$3,252.07
12/31/2017	Interest at 5.5%	\$88.23	\$3,340.30
06/30/2018	Interest at 2%	\$33.24	\$3,373.54
06/30/2019	Interest at 2%	\$67.47	\$3,441.01
06/30/2020	Interest at 2%	\$68.82	\$3,509.83
06/30/2021	Interest at 2%	\$70.20	\$3,580.03
06/30/2022	Interest at 2%	\$71.60	\$3,651.63
06/30/2023	Interest at 2%	\$73.03	\$3,724.66
06/30/2024	Interest at 2%	\$74.49	\$3,799.15
01/31/2025	Interest at 2%	\$44.14	\$3,843.29

(1) Pre-Tax Employee Contributions (Taxable):	\$2,740.56
(2) Interest Accrued on Employee Contributions (5.5% through 12/31/2017, 2% thereafter):	\$1,102.73
(3) Total Return of Employee Contributions with Interest:	\$3,843.29

Determination of Taxable Portion of Benefit

<u>Form of Payment</u>	<u>Total Benefit</u>	<u>Taxable Portion</u>	<u>Non-Taxable Portion</u>
Return of Contributions	\$3,843.29	\$3,843.29	0.00

Calculation of Return of Employee Contributions

Burlington Employees' Retirement System

Form A

Julie A. Brigante

IMPORTANT: City of Burlington reserves the right to correct any errors in the Calculation of Benefit Options. If it is determined at any time that the information provided in this Pension Distribution Kit conflicts with the terms of the Plan, the terms of the Plan will govern. Under the law, a plan must be operated in accordance with its terms and errors must be corrected. As a Plan participant, you may have made post-tax contributions to the Plan. As a result, a portion of your benefit may be non-taxable. **Consult with your tax advisor if you have any questions.**

Information Used in Determination

Participant Name:	Julie A. Brigante	Class:	B
Date of Birth:		Department:	School
Date of Hire:	12/03/2018	Post-Tax Employee Contributions:	\$0.00
Date of Participation:	08/26/2022	Normal Retirement Date (NRD):	12/16/2035
Date of Termination:	02/02/2024	Payment Start Date:	02/01/2025
Beneficiary Date of Birth:	N/A	Vesting Percentage:	0.0000%

Determination of Employee Contribution Balance with Interest

<u>Period Ending</u>	<u>Description</u>	<u>Transaction</u>	<u>Balance at End of Period</u>
06/30/2023	Contributions	\$1,228.44	\$1,228.44
06/30/2023	Interest at 2%	\$0.00	\$1,228.44
02/02/2024	Contributions	\$584.85	\$1,813.29
06/30/2024	Interest at 2%	\$24.57	\$1,837.86
01/31/2025	Interest at 2%	\$21.35	\$1,859.21

(1) Pre-Tax Employee Contributions (Taxable):	\$1,813.29
(2) Interest Accrued on Employee Contributions (5.5% through 12/31/2017, 2% thereafter):	\$45.92
(3) Total Return of Employee Contributions with Interest:	\$1,859.21

Determination of Taxable Portion of Benefit

<u>Form of Payment</u>	<u>Total Benefit</u>	<u>Taxable Portion</u>	<u>Non-Taxable Portion</u>
Return of Contributions	\$1,859.21	\$1,859.21	0.00

Calculation of Return of Employee Contributions

Form A

Burlington Employees' Retirement System

Abdulrazak Abdulrazak

IMPORTANT: City of Burlington reserves the right to correct any errors in the Calculation of Benefit Options. If it is determined at any time that the information provided in this Pension Distribution Kit conflicts with the terms of the Plan, the terms of the Plan will govern. Under the law, a plan must be operated in accordance with its terms and errors must be corrected. As a Plan participant, you may have made post-tax contributions to the Plan. As a result, a portion of your benefit may be non-taxable. **Consult with your tax advisor if you have any questions.**

Information Used in Determination

Participant Name:	Abdulrazak Abdulrazak	Class:	B
Date of Birth:		Department:	AFSCME Local 1343
Date of Hire:	07/31/2023	Post-Tax Employee Contributions:	\$0.00
Date of Termination:	08/06/2024	Normal Retirement Date (NRD):	01/29/2066
Beneficiary Date of Birth:	N/A	Payment Start Date:	02/01/2025
		Vesting Percentage:	0.0000%

Determination of Employee Contribution Balance with Interest

Period Ending	Description	Transaction	Balance at End of Period
06/30/2024	Contributions	\$1,444.89	\$1,444.89
06/30/2024	Interest at 2%	\$0.00	\$1,444.89
08/06/2024	Contributions	\$224.66	\$1,669.55
01/31/2025	Interest at 2%	\$16.79	\$1,686.34

(1) Pre-Tax Employee Contributions (Taxable):	\$1,669.55
(2) Interest Accrued on Employee Contributions (5.5% through 12/31/2017, 2% thereafter):	\$16.79
(3) Total Return of Employee Contributions with Interest:	\$1,686.34

Determination of Taxable Portion of Benefit

Form of Payment	Total Benefit	Taxable Portion	Non-Taxable Portion
Return of Contributions	\$1,686.34	\$1,686.34	0.00

Calculation of Benefit Options

Form A

Burlington Employees' Retirement System, Class A - Police Non-Union

Wade A. Labrecque

IMPORTANT: City of Burlington reserves the right to correct any errors in the Calculation of Benefit Options. If it is determined at any time that the information provided in this Pension Distribution Kit conflicts with the terms of the Plan, the terms of the Plan will govern. Under the law, a plan must be operated in accordance with its terms and errors must be corrected.

Type of Calculation

Regular Service

Information Used in Benefit Determination

Participant Name:	Wade A. Labrecque	Class:	A
Date of Birth:		Department:	Police Non-Union
Date of Hire:	02/05/2001	Vesting Percentage:	100.0000%
Date of Termination:	12/26/2024	Normal Retirement Date (NRD):	05/24/2022
Beneficiary Date of Birth:		Payment Start Date:	01/01/2025
		Employee Contribution Balance w/ Interest as of 01/01/2025:	\$262,015.75

Earnings

Average Final Compensation*: \$118,415.28

Determination of Benefit Amount

(1) Years of Creditable Service (CS)	23.91667
(2) Years of CS on or prior to June 30, 2006 [(2) + (3) is not to exceed 25 years]	5.41667
(3) Years of CS after June 30, 2006 [(2) + (3) is not to exceed 25 years]	18.50000
COLA Option	
(4) Accrual Rate on or prior to June 30, 2006 (not to exceed 25 years)	2.750%
(5) Accrual Rate after June 30, 2006 (not to exceed 25 years)	2.750%
(6) Retirement Accrual Percentage = [(2) x (4)] + [(3) x (5)]	65.7708%
(7) Monthly Vested Benefit Payable at Payment Start Date = (6) x Average Final Compensation/12 x Vesting Percentage	\$6,490.22

Full COLA	Half COLA	No COLA
2.750%	3.250%	3.800%
2.750%	3.250%	3.600%
65.7708%	77.7292%	87.1833%
\$6,490.22	\$7,670.27	\$8,603.20

Benefit Options Available

Form of Payment	Option Factor	Full COLA		Half COLA		No COLA	
		Initial Benefit	Survivor's Benefit ⁽¹⁾	Initial Benefit	Survivor's Benefit ⁽¹⁾	Initial Benefit	Survivor's Benefit ⁽¹⁾
Straight Life Annuity	1.0217	\$6,631.06	**	\$7,836.71	**	\$8,789.89	**
5 Year Certain & Life Annuity	1.0000	\$6,490.22	\$6,490.22	\$7,670.27	\$7,670.27	\$8,603.20	\$8,603.20
100% Joint & Survivor Annuity	0.8035	\$5,214.89	\$5,214.89	\$6,163.06	\$6,163.06	\$6,912.67	\$6,912.67
50% Joint & Survivor Annuity	0.8994	\$5,837.30	\$2,918.65	\$6,898.64	\$3,449.32	\$7,737.72	\$3,868.86
100% Joint & Survivor Pop-Up Annuity	0.7893	\$5,122.73	\$5,122.73	\$6,054.14	\$6,054.14	\$6,790.51	\$6,790.51
50% Joint & Survivor Pop-Up Annuity	0.8909	\$5,782.14	\$2,891.07	\$6,833.44	\$3,416.72	\$7,664.59	\$3,832.30
Return of Employee Contributions	N/A	\$262,015.75	N/A	\$262,015.75	N/A	\$262,015.75	N/A

(1) **Survivor Benefits:** for the Joint & Survivor Annuity payments, the survivor's benefit is only payable if the chosen survivor is alive upon the participant's death. If the chosen survivor is not alive, then no additional benefit is payable upon participant death. The choice of survivor may not be changed after benefit payments have commenced.

* Average is of the five highest years of base earnings

** Amount in excess (if any) of accumulated employee contributions, with interest, over payments made

Calculation of Benefit Options

Form A

Burlington Employees' Retirement System, Class A - Fire Non-Union

Jamie L. Valyou

IMPORTANT: City of Burlington reserves the right to correct any errors in the Calculation of Benefit Options. If it is determined at any time that the information provided in this Pension Distribution Kit conflicts with the terms of the Plan, the terms of the Plan will govern. Under the law, a plan must be operated in accordance with its terms and errors must be corrected.

Type of Calculation

Regular Service

Information Used in Benefit Determination

Participant Name:	Jamie L. Valyou	Class:	A
Date of Birth:		Department:	Fire Non-Union
Date of Hire:	05/18/1998	Vesting Percentage:	100.0000%
Date of Termination:	11/03/2024	Normal Retirement Date (NRD):	05/18/2023
Beneficiary Date of Birth:		Payment Start Date:	12/01/2024
		Employee Contribution Balance w/ Interest as of 12/01/2024:	\$265,582.17

Earnings

Average Final Compensation*: \$110,436.96

Determination of Benefit Amount

(1) Years of Creditable Service (CS)	26.50000
(2) Years of CS on or prior to June 30, 2006 [(2) + (3) is not to exceed 25 years] (8.08333 of overtime service)	8.08333
(3) Years of CS after June 30, 2006 [(2) + (3) is not to exceed 25 years] (16.91667 of overtime service)	16.91667
(4) Years of CS in excess of 25 years (1.50000 of overtime service)	1.50000

COLA Option	Full COLA	Half COLA	No COLA
(5) Accrual Rate on or prior to June 30, 2006 (not to exceed 25 years)	2.750%	3.250%	3.800%
(6) Accrual Rate after June 30, 2006 (not to exceed 25 years)	2.750%	3.250%	3.600%
(7) Accrual Rate in excess of 25 years	0.500%	0.500%	0.500%
(8) Retirement Accrual Percentage = [1.17 x 8.08333 x (5)] + [1.17 x 16.91667 x (6)] + [1.17 x 1.50000 x (7)]	81.3150%	95.9400%	108.0690%
(9) Monthly Vested Benefit Payable at Payment Start Date = (8) x Average Final Compensation/12 x Vesting Percentage	\$7,483.48	\$8,829.43	\$9,945.68

Benefit Options Available

Form of Payment	Option Factor	Full COLA		Half COLA		No COLA	
		Initial Benefit	Survivor's Benefit ⁽¹⁾	Initial Benefit	Survivor's Benefit ⁽¹⁾	Initial Benefit	Survivor's Benefit ⁽¹⁾
Straight Life Annuity	1.0095	\$7,554.57	**	\$8,913.31	**	\$10,040.16	**
5 Year Certain & Life Annuity	1.0000	\$7,483.48	\$7,483.48	\$8,829.43	\$8,829.43	\$9,945.68	\$9,945.68
100% Joint & Survivor Annuity	0.8616	\$6,447.77	\$6,447.77	\$7,607.44	\$7,607.44	\$8,569.20	\$8,569.20
50% Joint & Survivor Annuity	0.9296	\$6,956.64	\$3,478.32	\$8,207.84	\$4,103.92	\$9,245.50	\$4,622.75
100% Joint & Survivor Pop-Up Annuity	0.8540	\$6,390.89	\$6,390.89	\$7,540.33	\$7,540.33	\$8,493.61	\$8,493.61
50% Joint & Survivor Pop-Up Annuity	0.9253	\$6,924.46	\$3,462.23	\$8,169.87	\$4,084.94	\$9,202.74	\$4,601.37
Return of Employee Contributions	N/A	\$265,582.17	N/A	\$265,582.17	N/A	\$265,582.17	N/A

(1) **Survivor Benefits:** for the Joint & Survivor Annuity payments, the survivor's benefit is only payable if the chosen survivor is alive upon the participant's death. If the chosen survivor is not alive, then no additional benefit is payable upon participant death. The choice of survivor may not be changed after benefit payments have commenced.

* Average is of the three highest years of base earnings

**Amount in excess (if any) of accumulated employee contributions, with interest, over payments made

Calculation of Benefit Options

Burlington Employees' Retirement System, Class B - AFSCME Local 1343

Form A

Jane Hackley

IMPORTANT: City of Burlington reserves the right to correct any errors in the Calculation of Benefit Options. If it is determined at any time that the information provided in this Pension Distribution Kit conflicts with the terms of the Plan, the terms of the Plan will govern. Under the law, a plan must be operated in accordance with its terms and errors must be corrected.

Type of Calculation

Late Service

Information Used in Benefit Determination

Participant Name:	Jane Hackley	Class:	B
Date of Birth:		Department:	AFSCME Local 1343
Date of Hire:	12/08/1975	Vesting Percentage:	100.0000%
Date of Termination:	12/11/2024	Normal Retirement Date (NRD):	11/20/2022
Beneficiary Date of Birth:		Payment Start Date:	01/01/2025
		Employee Contribution Balance w/ Interest as of 01/01/2025:	\$10,359.48

Earnings

Average Final Compensation*: \$57,937.44

Determination of Benefit Amount

(1) Years of Creditable Service (CS)	49.00000
(2) Years of CS on or prior to 06/30/2006 [(2) + (3) is not to exceed 25 years]	25.00000
(3) Years of CS after 06/30/2006 [(2) + (3) is not to exceed 25 years]	0.00000
(4) Years of CS in excess of 25 years	24.00000

COLA Option	Full COLA	Half COLA	No COLA
(5) Accrual Rate on or prior to 06/30/2006 (not to exceed 25 years)	1.600%	1.900%	2.200%
(6) Accrual Rate after 06/30/2006 (not to exceed 25 years)	1.600%	1.800%	2.000%
(7) Accrual Rate in excess of 25 years	0.500%	0.500%	0.500%
(8) Retirement Accrual Percentage = [(2) x (5)] + [(3) x (6)] + [(4) x (7)]	52.0000%	59.5000%	67.0000%
(9) Monthly Vested Benefit Payable at Payment Start Date = (8) x Average Final Compensation/12 x Vesting Percentage	\$2,510.62	\$2,872.73	\$3,234.84
(10) Monthly Vested Benefit at NRD: = {[Years of CS on or prior to 06/30/2006 and prior to NRD (25.00000) x (5)] + [Years of CS after 06/30/2006 and prior to NRD (0.00000) x (6)] + [Years of CS in excess of 25 years and prior to NRD (21.91667) x (7)]} x Average Final Compensation/12 x Vesting Percentage	\$2,460.33	\$2,822.44	\$3,184.55
(11) Monthly Vested Benefit Payable at Payment Start Date: = [Greater of (10)] x 1.269596 Late Adjustment Factor or (9)	\$3,123.63	\$3,583.36	\$4,043.09

Benefit Options Available

Form of Payment	Option Factor	Full COLA		Half COLA		No COLA	
		Initial Benefit	Survivor's Benefit ⁽¹⁾	Initial Benefit	Survivor's Benefit ⁽¹⁾	Initial Benefit	Survivor's Benefit ⁽¹⁾
Straight Life Annuity	1.1226	\$3,506.59	**	\$4,022.68	**	\$4,538.77	**
10 Year Certain & Life Annuity	1.0000	\$3,123.63	\$3,123.63	\$3,583.36	\$3,583.36	\$4,043.09	\$4,043.09
100% Joint & Survivor Annuity	0.7865	\$2,456.73	\$2,456.73	\$2,818.31	\$2,818.31	\$3,179.89	\$3,179.89
50% Joint & Survivor Annuity	0.9246	\$2,888.11	\$1,444.06	\$3,313.17	\$1,656.59	\$3,738.24	\$1,869.12
100% Joint & Survivor Pop-Up Annuity	0.7769	\$2,426.75	\$2,426.75	\$2,783.91	\$2,783.91	\$3,141.08	\$3,141.08
50% Joint & Survivor Pop-Up Annuity	0.9184	\$2,868.74	\$1,434.37	\$3,290.96	\$1,645.48	\$3,713.17	\$1,856.59
Return of Employee Contributions	N/A	\$10,359.48	N/A	\$10,359.48	N/A	\$10,359.48	N/A

(1) **Survivor Benefits:** for the Joint & Survivor Annuity payments, the survivor's benefit is only payable if the chosen survivor is alive upon the participant's death. If the chosen survivor is not alive, then no additional benefit is payable upon participant death. The choice of survivor may not be changed after benefit payments have commenced.

* Average is of the three highest years of base earnings

**Amount in excess (if any) of accumulated employee contributions, with interest, over payments made

Reconciliation of BERS Prepaid Pension Benefits
Information was provided by the City of Burlington, VT as of December 31, 2024

	Participation Charges	Department	Employee	Contributions	Claims & Benefits	Net	Expenses	Misc. adj	Balance Due To/(From) BERS
Beginning Balance, 7/1/2024									549,807
July	-	957,429	410,327	1,367,756	(2,022,966)	(655,210)	n/a	n/a	(105,403)
August	-	1,026,656	439,996	1,466,652	(2,114,961)	(648,309)	n/a	n/a	(753,712)
September	-	984,614	421,978	1,406,592	(1,986,328)	(579,736)	n/a	n/a	(1,333,448)
October	-	1,835,720	786,737	2,622,457	(1,955,598)	666,859	n/a	n/a	(666,589)
November	1,009,947	323,264	138,542	461,805	(2,054,639)	(582,887)	n/a	n/a	(1,249,476)
December	916,062	273,044	117,019	390,062	(2,025,831)	(719,686)	n/a	n/a	(1,969,162)
January	-	-	-	-	-	-	n/a	n/a	(1,969,162)
February	-	-	-	-	-	-	n/a	n/a	(1,969,162)
February	-	-	-	-	-	-	n/a	n/a	(1,969,162)
March	-	-	-	-	-	-	n/a	n/a	(1,969,162)
April	-	-	-	-	-	-	n/a	n/a	(1,969,162)
May	-	-	-	-	-	-	n/a	n/a	(1,969,162)
June	-	-	-	-	-	-	n/a	n/a	(1,969,162)
Total	1,926,029	5,400,727	2,314,597	7,715,324	(12,160,322)	(2,518,969)			
ADEC Target for FY25	2,895,696	10,199,463	4,641,485						
Left to Reach ADEC Target	969,667	4,798,736	2,326,888						
% of Contributions/ADEC	67%	53%	50%						



CITY OF BURLINGTON, VERMONT

REQUEST FOR PROPOSAL TO PROVIDE DEFINED BENEFIT PLAN ADMINISTRATION

NOVEMBER 5, 2018

TABLE OF CONTENTS

TABLE OF CONTENTS

PART A	PROCUREMENT INFORMATION	2
A-1	Introduction	2
A-1.1	Executive Summary.....	2
A-1.2	BERS Point of Contact	2
A-1.3	RFP Organization.....	2
A-1.4	Offeror Questions about RFP and Procurement.....	3
A-1.5	Presentations	3
A-1.6	Clarification of Terminology.....	4
A-2	NATURE OF PROCUREMENT	4
A-2.1	On-going Communication	5
A-2.2	About BERS	6
A-2.3	Project Objectives and Scope	6
A-2.4	RFP Schedule and Milestones	7
PART B	Scope of Services.....	8
B-1	Scope of Outsourcing Services	8
B-2	RFP Questions	9
PART C	Proposal Format and EVALUATION.....	24
C-1	Format of Offeror Proposals	24
C-2	Proposal Evaluation	32
C-2.1	BID EVALUATION.....	32
PART D	Terms and Conditions	34
	<i>This page to be returned with submission</i>	40
	Representative's Title:	40

PART A PROCUREMENT INFORMATION

A-1 INTRODUCTION

The Burlington Employees' Retirement System (BERS) is soliciting proposals for pension administration outsourcing services. The following document outlines the requirements for responding to this Request for Proposal (RFP).

A-1.1 EXECUTIVE SUMMARY

The City of Burlington, on behalf of the Burlington Employees Retirement System (BERS), is soliciting proposals from firms interested, willing and able to provide state-of-the-art pension administration outsourcing services via a combination of both online tools and live support. A complete description of required services is included in **Section B, Scope of Pension Administration Outsourcing Services**.

Please note the City is seeking proposals to perform:

- A. Online pension services (member self-service); and/or
- B. Full-service pension administration services, though a service center, capable of assisting participants with questions and calculations, processing retirement applications, maintaining retirement data for the full system, and providing reporting.

A-1.2 BERS POINT OF CONTACT

From the issue date of this RFP until the selection and announcement of a successful offeror, offerors are not allowed to communicate, for any reason, with any City staff regarding this particular procurement, except through the point of contact named herein. For violation of this provision, BERS shall reserve the right to reject the proposal of the offending offeror.

The point of contact for questions and all other contractual matters relating to this RFP is:

Name: Rich Goodwin
Title: Director Financial Operations
Address: 149 Church Street, 2nd Floor
 Burlington, VT 05401
E-Mail: rgoodwin@burlingtonvt.gov

The deadline for offeror's proposals is, December 21, 2018 **by 3:00 PM** delivered to the BERS office, marked to the attention of the contact listed above.

By submitting a proposal, the offeror acknowledges that it has read this RFP, understands it, and agrees to be bound by its requirements.

A-1.3 RFP ORGANIZATION

This RFP is organized as described below.

PART A – Procurement Information

This part of the RFP sets forth the procedures for conducting the procurement, the nature of the services being sought, the project timetable, and a description of BERS' existing environment.

PART B – Scope of Services

This part of the RFP defines in detail the scope of services. It addresses the business service requirements to be satisfied, and other required services and deliverables.

PART C - Proposal Format and Evaluation

This part of the RFP provides detailed instructions for the preparation and format of offeror proposals, both technical and cost.

PART D –Terms and Conditions

This part of the RFP sets forth the standard BERS terms and conditions that the offeror must abide by in preparing its response to this RFP and/or in conducting the effort after award.

A-1.4 OFFEROR QUESTIONS ABOUT RFP AND PROCUREMENT

Interested parties may submit questions relating to this RFP and/or procurement via email to the Point of Contact named in Section A-1.2 through **November 20, 2018**. Submit all questions as a Word document or in the body of an email using the format specified in Table 1 below.

TABLE 1. FORMAT FOR SUBMISSION OF OFFEROR QUESTIONS

No.	RFP Section	RFP Page	Question
Q1			
A1			
Q2			
A2			

Email is the required method of communications – using a Word file as an attachment. All written questions must include the name of the firm and the person submitting the questions. BERS will post a compilation of all questions and answers, along with any RFP addenda, to the BERS website <https://www.burlingtonvt.gov/RFP> no later than 5:00 p.m. ET on November 30, 2018. Individuals and Firm names will not be listed on responses.

A-1.5 PRESENTATIONS

At BERS' discretion, offerors who receive high scores after the initial review of proposals may be required to provide presentations to City's review team. Presentations by finalists may take place on site at BERS' offices, at the offeror's office or via webinar session.

BERS requires meeting the key assigned staff when conducting the presentations. BERS' objective is to discern the offeror's proposed staffs' familiarity with the proposed services and their ability to explain, communicate, converse, and interact with BERS staff. While respecting the role of sales and marketing

staff in the sales process, BERS is most interested in interacting with key service providing members. BERS reserves the right not to conduct offeror presentations, and/or customer site visits.

A-1.6 CLARIFICATION OF TERMINOLOGY

All references in this RFP to features, functions, services, or deliverables that “should”, “must”, “will”, “has ability to”, etc. be provided by the offeror are to be construed as mandatory. Similarly, all references in this RFP to information that “should”, “must”, “will”, “has ability to”, etc. be provided in the offeror’s proposal are to be construed as mandatory.

Bidders may be referred to alternatively as “bidders”, “offerors”, “successful offerors”, “successful bidders”, “vendors”, etc. All such references (except for those explicitly defined otherwise) are to the primary contractor who submits the proposal in response to this RFP and, if successful, who will be responsible for the successful completion of all required deliverables.

References to days are to work days unless otherwise explicitly stated.

Reference to time as stated in this RFP is based on local Eastern Time.

A-2 NATURE OF PROCUREMENT

BERS is soliciting proposals from firms having recent experience in supplying outsourcing services in the public sector for Pension Systems. To be considered for the purpose stated above, the firm must meet all of the following minimum qualifications. Failure to do so shall result in the rejection of the proposal.

BERS’ Minimum Qualifications:

The following are the criteria for an offeror to be considered as an eligible candidate to bid on the requested services described in this RFP. **If an offeror is unable to accommodate any one of the minimum qualifications, please provide an explanation in the Certification of Compliance with Minimum Requirements of RFP.**

1. Offerors choosing to propose must offer services or solutions for the following administrative services (i.e., benefit calculation capabilities, record keeping, benefit payments, custodial services, plan management, ongoing training and support to the City as it relates to the day-to-day operation of the Plan, and employee retirement education and communications.)
2. Offerors choosing to propose must comply with all RFP specifications. Unless otherwise noted by you, in your cover letter, it is assumed that, by submitting a response to this RFP, your response is intended to conform to the specifications in every way.
3. Offerors choosing to propose must provide a representative who can provide a single point of contact, seamless administration and accountability, and meet, on a regular basis, with the City’s Board.
4. Offerors choosing to propose must demonstrate an ability to work with City’s staff, the BERS Board, and/or designated representative in implementation, communication, and administration of the Plan.
5. Offerors choosing to propose must have at least **five (5) years' experience** in providing the proposed services and products to the public sector defined benefit marketplace to **at least 20 clients**.
6. The initial contract term will be for 3-years with an option for a 3-year contract extension. The response to this request for proposal will be incorporated into the contract.

7. Offerors choosing to propose must be able to meet with the City's BERS Board on a quarterly basis (by phone), but may be required to meet only on annual basis.
8. Offerors choosing to propose must be solely liable and responsible for any processing errors of the offeror or its agents.
9. Offerors choosing to propose must provide access to all tools and data, with reasonable notice, to parties authorized by the City for the purpose of performing any audit or reviews that are deemed necessary.
10. The offerors choosing to propose must provide complete review, approval, and administrative services related to Qualified Domestic Relations Orders (QDRO).
11. Offerors choosing to propose must have the ability to deal directly with all eligible City employees, system members, and retirees.
12. The offeror's internet services must include data encryption and a secured method for the Plans' participating employers to submit and receive payroll data as well as allow the City's staff and Plan auditors the ability to view participant demographic information and Plan activities.

The City reserves the right to accept or reject the Account Manager and other staff personnel designated for its programs, both initially and in future years. The successful contractor shall agree to ensure the continuity of the designated primary Account Manager and a backup designee, assigned to perform the service. The offeror represents and warrants that the primary Account Manager shall remain available throughout the term of the contract, unless the City requests a change. The offeror represents and warrants that contractor shall not remove or replace the primary Account Manager and offeror agrees that offeror's removal or replacement of the primary Account Manager may be grounds for termination of the contract.

The City recognizes, however, that events beyond the control of the offeror, such as promotion, long-term leave, or the termination of employment of the primary Account Manager, may require the offeror to propose a replacement of another employee of the offeror. In the event that such a replacement is necessary, the offeror agrees that the replacement person shall have equal or better qualifications at no additional cost to the City, and that the City will have final approval of any Account Manager to be assigned. No replacement person shall begin work on the contract without the prior written consent of the City.

A-2.1 ON-GOING COMMUNICATION

The offeror's staff must be available for consultation with City staff on an as-needed basis between 8:00 AM and 5:00 PM, ET Monday through Friday. The offeror will provide phone or email response to the City inquiries within one (1) business day at least 90 percent of the time. The offeror will respond to urgent requests within one (1) business day.

The offeror's service, including telephone and online resources, are desired to be available to system members and retirees 24/7, 365 days a year. Any variance from that availability should be noted in the offeror's response.

The offeror shall have access to the Internet, electronic mail, and required equipment necessary to communicate with the City, and program participants. This technology shall be available to the contractor to communicate with all necessary parties through the term of this contract. The contractor shall have the ability to transmit all documentation required by the City electronically.

A-2.2 ABOUT BERS

BERS is the name that refers to the Burlington City Employee's Retirement System. The system is run by a board that has the fiduciary duty to administer **one** distinct defined benefit retirement system.

The system's funds provide service retirement benefits as well as death and disability benefits to a population of contributory and non-contributory members and their beneficiaries. The plan covers eligible members employed in the general administrative service of the City and certain non-teacher employees of the Burlington City Public School District.

The City employs one individual who serves as the point of contact for the retirement system. This includes interfacing with members, performing calculations, ensuring the maintenance and submission of required data to the actuary, and maintenance of all data. All retirement payroll is processed by the City.

The City began implementation of the PTG Pension Pro system in 2017, and currently employs the following functionality: database, reporting, and active member payroll.

As of June 30, 2017, the BERS membership consisted of the following:

-) *BERS Retirees and Beneficiaries Receiving Benefits- 674*
-) *Terminated Members Not Yet Receiving Benefits - 495*
-) *Active Plan Members 845*
-) *Total Membership of 2,014.*

Copies of the ordinances governing the system are available on the City of Burlington's Code of Ordinances in Chapter 24. The Code can be found here:

<https://www.codepublishing.com/VT/Burlington/>

A-2.3 PROJECT OBJECTIVES AND SCOPE

A-2.3.1 GENERAL OBJECTIVES AND SCOPE

The objective of this RFP is to solicit proposals from qualified service firms willing and able to provide stable, state-of-the-industry pension services, as defined herein, capable of supporting BERS. The offeror is expected to enable active and retired members to meet all of their day by day service needs; as well as, perform all of the support duties associated with the processing and reporting on the plan.

BERS will award this contract to the offeror who can best meet the needs as defined in this RFP. The objective of this RFP is to elicit a response from offerors for the provision of the defined services.

The RFP also specifies the common format of offeror responses and the estimated timeframe to enable BERS to compare the offerors' services and to make its choice. In addition, the RFP briefly explains the selection process.

A-2.3.2 TERM OF CONTRACT

The contract for pension outsourcing services is intended to be for a three year period with BERS having the option to extend the contract for an additional three year period under the same terms and conditions.

A-2.4 RFP SCHEDULE AND MILESTONES

The dates provided in Table 2 on the next page are approximate and are for the period up to the project start date following contract award.

BERS reserves the right to change the calendar of events or issue amendments to the RFP at any time. BERS also reserves the right to cancel or reissue the RFP. Offerors should check the BERS Website from time to time as any amendments or other RFP related materials will be posted there.

TABLE 2. PROJECT SCHEDULE

Date	Activity
November 5, 2018	RFP issued
November 20, 2018	Receive offerors' questions
November 30, 2018	BERS supplies answers to offerors' questions
December 21, 2018	Deadline for receipt of proposals
January 9, 2018	BERS generated questions
January 16, 2018	Offerors' responses to questions
January 22 -24, 2019	Hold presentations for short listed offerors
January 30 , 2019	BERS evaluation complete
February 13, 2019	BERS selection approved*
Date February 28, 2019	Contract negotiations begin

*Final approval is based on review and approval of BERS, Board of Finance, and City Councils approval.

PART B SCOPE OF SERVICES

B-1 SCOPE OF OUTSOURCING SERVICES

BERS is soliciting proposals for the following outsourcing services related to its Defined Benefit Plan:

- A. Online pension services (member self-service), including providing calculations, managing personal information updates, and delivering messaging; and
- B. In-person pension administration services through a Service Center capable of assisting participants with questions, forms, technology and other needs.

Firms responding to this RFP may respond to provide either or both services. In responding, please specify which services you can provide in the manner requested in Section B of this document.

All responses should clearly specify what technical requirements are assumed for the proposed solution. This includes whether the City's existing tools will be employed, or whether different tools are required. If the current tools will be continued, the proposer should explain their experience working with those tools.

Please note that BERS is not seeking actuarial or investment advisory services at this time. All assets under management will not be moved to the new service provider as part of this process under any circumstances.

A. Online Pension services only	B. In person Pension Administration services through a live Service Center
) Interactive and informational website for plan administrators and participants) <i>Provide ability for plan participants to estimate and project retirement benefits</i>) <i>Provide electronic personalized annual statements of all active plan participants based on salary and employment data provided by plan sponsor</i>) <i>Provide access to plan sponsor documents (document summaries, labor agreements, etc.)</i>) <i>Maintain forms and administrative documents used by plan sponsor contacts</i>) Create custom automated special exports for plan sponsor use	) Provide the services listed in italics under the Online platform (A), as well as:) Service Center to support participants through phone, mail, and email contact 24/7) Interactions with participants to process benefit calculations and set up payment including: ▪ Mail completed forms to participant ▪ Answer participant questions ▪ Audit submitted forms ▪ Correspond with participant until forms are complete and accurate ▪ Provide estimates and projections of retirement benefits

) Accumulate, reconcile and maintain a comprehensive participant database for actives/terminated vested/retirees; includes maintaining data updates) Mail completed forms to Plan Sponsor or ability for Plan Sponsor to generate online) Interface with the City's retirement administrator and staff) Implementation: - o <i>Initial programming of all plan provisions and testing representative sample participants</i> - o <i>Provide necessary training to plan sponsors and education tools for plan sponsors and participants</i>	) Prepare required documentation of requests for authorization by the retirement system board.) Process all applications for retirement benefits) Initiate new retiree benefit payment with Custodian) Respond to participant questions via email or phone) Annual mailing to terminated vested participants prior to reaching normal retirement) Annual mailing of suspension of benefits notices to active participants attaining normal retirement age (if applicable)) QDRO processing) Work with custodian to: ▪ Reissue uncashed checks ▪ Request return of over-payments ▪ Coordinate changes to retiree information when power of attorney involved ▪ Assist in the set-up of surviving spouse accounts upon death of retiree) Pension income verifications) Locate missing participants) Retiree register monthly audit
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B-2 RFP QUESTIONS

We require that you make the effort to respond specifically to all questions within this section. Offerors' responses will be used evaluate your organization's current service capabilities. Your future and planned capabilities are important in this response and are reflected in the questionnaire, Exhibit 1 Excel document.

The following offeror questionnaire should be reviewed in its entirety before you begin to answer the individual sections. Offerors are required to record their responses within the questionnaire Excel spreadsheet, which is provided with this RFP – (Exhibit 1).

A. Customer Service/Account Management

1. Describe your account/client management approach.
2. Describe your organization's commitment to quality and your philosophy /approach to client services.
3. Are the client/account team members that will be assigned to the City potentially from multiple locations? If so, how will the service team(s) be managed?
4. Please provide an organizational chart of your proposed service team for this relationship. Provide the name(s), title(s), address(es), telephone and fax number(s), email address(es), and the responsibilities, functions, or roles of each individual who will be assigned to and responsible for providing the contracted services under the Plan, including the Client Relationship Manager who will be responsible for the overall relationship with the City. Please provide each individual's education and work experience.
5. How do you ensure that account continuity and knowledge is maintained on the accounts/clients from initial planning and conversion through implementation and ongoing servicing?
6. Describe the hand-off process when moving from pre-sales to sale to implementation to support. Are personnel shared among the separate teams? What steps are taken to ensure smooth transitions? Has your organization performed a transition from Prudential Financial Group in the past?
7. How many of your employees work on public sector defined benefit plans? Provide a breakdown of the number of full-time equivalent employees working on defined benefit plans by the following functional areas: management; call center management/supervisors; customer service representatives (CSR's); field representatives; systems management; systems staff (development staff and operating/maintenance staff); and other support personnel.
8. Will you need to add local or onsite employees in order to provide the required services to the City? If so, please state the number of additional staff required, by job title and function.
9. How many public sector defined benefit plans have you gained in the last three years?
10. Provide a representative list of public sector defined benefit clients for whom you provide defined benefit services. What is the total number of participants in all public sector defined benefit plans currently being administered by your organization?
11. What is your experience in providing defined benefit plan administration services for similar governmental programs?
12. Identify the key facets of your approach that make you uniquely qualified to provide services to the City.
13. Do you use any CRM tools to track and manage customer services and issues?
14. Describe your errors/omissions liability insurance and coverage. Describe the various types of insurance coverage and indemnification provided to protect clients.
15. Do you track customer satisfaction metrics? Do you conduct periodic client satisfaction surveys? If so, are these surveys conducted by an independent entity? Please include any recent key statistical figures and the results of any recent survey(s). What corrective measures or action steps do you perform to address clients and participants who are not satisfied with your service performance?
16. What is the average number of account relationships for each of your proposed team members? What is the current number of account relationships for the entire team proposed for this account?
17. What is the average tenure (in years) of the following positions: Plan Administrators; Client Relationship Manager; Field Service Representatives; Conversion Project Manager; Customer Service Center Representatives. **This is a key issue for the City with regard to turnover on the account. Strongest consideration will be given to those organizations that can best exhibit consistency across service teams.**

18. What is the last date when your organization had a change in its business structure, whether through an acquisition or divestiture or through an alliance arrangement? If applicable, how did this change in business affect the administration division?
19. Describe any pending or anticipated plans to re-organize your company within itself or as part of the larger organization of which your company is a part.
20. What portion of your organization's expenses is related to system technology development?
21. If the City wanted a detailed review/audit, conducted of your administration processing over a specific period, would you allow on-site access to the reviewing third-party to interview your staff members who perform the administration?
22. Describe how member's user accounts are created and maintained.

B. Service Agreement and Levels

1. Describe your dispute resolution process.
2. Is there any client compensation for system and/or administration services down time?
3. Describe how your company keeps its applications updated for the changing legislative and regulatory requirements. How long does it typically take for you to incorporate any such legislative changes into your systems and train your administration staff?
4. Describe your typical service performance levels written into client service agreements. Are you able to work with a client who requires more stringent service level performance guarantees?
5. Identify your standard and committed response times.

C. DB System and Administration Capability

1. Provide the detail of your system capability concerning retirement processing with regard to tracking of participant retirement elections and recordkeeping of plan history concerning salary and service.
2. Provide the detail of your system capability concerning data import and export feeds. Describe your approach and procedures to determine and maintain data integrity.
3. Does your system calculate 415 limitations on all benefit calculations? Does it track and apply 401(a)(17) limitations? How about the 25 highest paid limitation on lump sum payments?
4. Does your system track and calculate minimum required distribution age 70 ½ calculations for participants in pay status? Does the system automatically apply actuarial increases for deferred age 70 ½ payments? Does your system track deferred vested participants approaching age 70 ½ for proactive notification to secure elections and make timely age 70 ½ payments?
5. Describe how your system handles suspension of benefits notifications to participants. Does your system handle actuarial increases for suspended benefits for post- NRD payments?
6. Are conversions for optional forms of payment preprogrammed into the system? Are they table driven or calculated on the fly?
7. Does your system allow for production of a valuation data output file? Does your system's benefit calculator allow for production of a group of benefit calculations in batch mode?
8. Is your system database capable of maintaining payroll records for compensation other than plan earnings?
9. How does your system handle plans with multiple benefit formulas where participants can be impacted by more than one formula? How does your system handle benefit formulas for certain participants that differ for different periods of benefit service?
10. How does your system determine plan eligibility from the individual participant indicative data? Is there any limit to the number of identifiers that can be used to determine eligibility?
11. Please describe how your system will merge information and produce all required letters and retirement forms. Are your system's forms in a standard format or can they be customized for client requests? Does the system allow administrators to have access to be able to customize a specific participant's letter? What is your standard protocol for providing Relative Values Notice

information to retiring participants? How would your system handle the use of generic Relative Values Notices and if so, how would a request for an individualized Relative Values Notice be handled?

12. Please describe in detail how your system maintains an audit trail. Are all database changes handled through batch mode or can changes be made real-time directly on-line and still have an audit trail?
13. Is there a limit as to how many service breaks or leaves of absence per participant that your system can track and accommodate? Can your system track participants who switch from working as an eligible employee to an ineligible employee (and vice versa)? How is all service (eligible and ineligible) tracked for vesting purposes? How is credited service tracked for only periods of eligible service for accrued benefit purposes?
14. How do you track and handle notice reports for situations like Period Certain benefits expiring, vested terminated participants reaching Normal Retirement Date, active or deferred vested participants reaching their minimum required distribution benefit commencement date, etc.?
15. How does the system handle the designation of QDROs in the Database? How are pending DROs identified from final qualified QDROs? How does your system address the addition of a QDRO alternate payee as a participant either as a retiree with immediate payment or as a deferred vested participant? How does your Database system handle a future split QDRO vs. a current split QDRO?
16. Describe how you will provide the City QDRO qualification and administration services? How will you work directly with the City's legal counsel to approve and/or vet issues on a QDRO?
17. What is your systems capability to provide employee self-service access? What modeling of DB plan and any other retirement benefits is accommodated in your system? Is an employee able to access and model his or her own pension benefits on-line through a secure portal? Is there sufficient flexibility to accommodate plan-specific provisions such as Sick Leave conversions?
18. Does your system benefit calculator generate a pension worksheet illustrating the detail on how the benefit was calculated (provide examples)? Is the same worksheet back-up provided for employee self-service as for your administration services group?
19. List the types of early retirement factors your system can handle (i.e. actuarial equivalent, simplified, subsidized early, etc.). Can your system apply different early retirement factors to different eligibility requirements (like benefits accrued before and after a specific date and/or for retirement from different statuses)? How does your system handle the determination of the achievement of special unreduced early retirement provisions (like the "Rule of 85")? Do you have other clients with special early retirement provisions in their plan?
20. Describe how your system can handle the adjustment of the benefit for a rehired participant who previously received a distribution of employee contributions or a lump sum of prior benefits. Is it adjusted systematically or is manual intervention required? Does your system track prior lump sum distributions that have been paid?
21. What is the extent of your actuarial support, if needed, during day-to-day administration for such things as actuarial equivalent calculations, QDRO split calculations, etc.?
22. How does your system handle the determination of eligibility for early retirement, normal retirement, etc.? Is this determined continually from the individual participant indicative data or determined at initial eligibility in the plan and set in the participant's record? How does your system handle different eligibility requirements for early retirement, normal retirement, etc. for different categories of participants? Is there a limit to how many different categories your system can handle?
23. Do you store terminated non-vested participants' plan information in the DB database forever or are these records archived periodically? Is there an additional charge to clients to keep them on the live database?
24. Do you send annual statements to terminated vested participants?

25. Have standard payment authorization interfaces been built for specific bank/custodial trustees? What processes do you have in place to provide distribution payment check-cutting services for monthly retirement annuity payments?
26. How are your assigned staff kept apprised and trained on new law or governmental regulations affecting administration?
27. What is the average length of experience for your DB plan administrators?
28. Is the administration staff divided into groups performing specific tasks? (For example, a dedicated group to process and authorize payments to retirees.)
29. Are DB administration staff located physically in the same location or are they virtual and working from many different locations? What will be the location(s) for the team assigned to provide services to the City?
30. How do you administer the restoration of accruals for participants who return from military leave? Are such restorations handled manually or systematically?
31. Explain how you administer Suspension of Benefits provisions. How do you administer Suspension of Benefits for retirees who have been rehired and whose retirement benefits must be suspended?
32. How is your system and administration processes set up to handle the impact on participant benefits of any funding-related restrictions imposed by any regulation? Please include discussions about coordination with the actuary for the plan, changes to the system calculation processing, changes to election forms, handling transition situations, and any required notifications to participants.
33. Describe how your system or administrators handle service adjustments for rehire and leave of absence situations.
34. Do you have mobile web access capabilities available for participant use? Is there an extra fee to the client for mobile web access?
35. Provide examples of annual benefit statements you can produce from your system. Can these statements be customized? Is there an extra cost for customization?
36. Do you provide your clients with information for any client-required reporting purposes?
37. For client requested reporting information, not included with your standard reports offered, are there additional fees required for such ad-hoc requests? What if the reporting need is ongoing on a periodic basis?
38. What audit assistance do you provide to your clients for their internal/external auditors? Please outline your process for assisting your clients' auditors and discuss any standard audit information provided and your typical time commitment to providing such assistance.
39. With regard to contributory plans, does your system track employee contributions with and without interest? Does your system apply plan appropriate/statutory interest rates for mandatory contributions? Can your system handle tracking of mandatory and voluntary employee contributions? Can your system apply different interest crediting rates to different contribution accounts and account for multiple accounts under multiple structures in the plan? How often does interest get applied?
40. With regard to contributory plans, does your system calculate non-taxable and taxable portions of the benefit for pension payments? Does it calculate the tax basis on lump sum refunds of employee contributions, where there is a remaining employer benefit?
41. Please furnish your death benefit processing procedures.
42. How do you handle post retirement flat dollar death benefits? How do you track eligibility for such a death benefit?
43. Does your system allow for multiple beneficiaries for J&S benefit elections? If so, how do you administer these and calculate the J&S option factor?

44. Do you have the capability to accept electronic copies of the City's forms (such as beneficiary designations and completed retirement applications) to keep in your database? Do you keep beneficiary information online?
45. What is the expectation of the City's involvement with you in order for you to provide administration services with respect to benefit calculations and estimates?
46. Do you provide an administrative or procedures manual that includes a timeline of critical dates, roles, and responsibilities?
47. Will you customize materials for the City? Is there additional cost for customization?
48. Describe your administrative process for correcting payroll data and performing edit checks on incomplete or missing data. Discuss how such data problems are resolved.
49. Describe your administrative capabilities for mailing termination benefit information packages directly to terminated vested plan participants. Describe in detail your processes and procedures for commencements from terminated vested status upon reaching Normal Retirement Date.
50. Do you prepare 1099R Tax Forms and issue tax statements to participants who receive distributions, including forms and tax statements for beneficiary distributions and related filings?
51. Describe the process you use to track and maintain employee beneficiary data. Do you do periodic participant beneficiary solicitations for clients?
52. Describe in detail how your system handles Federal and State tax reporting. Do you provide tax form preparation and filing? How do your systems support tax reporting for participants who have moved outside of the United States?
53. Does your system provide for in-service distributions for participants beyond their required beginning date? Describe how your database supports such in-service distributions.
54. Please describe how your clients normally provide census data updates (i.e. address changes, employment status changes, new eligible employees)? Can your system capture manually entered census data from multiple locations?
55. Describe your process for searching for participants who have not cashed their distribution payment checks.
56. Can your system handle COLA pension increases or ad-hoc COLAs for retired participants? How does your system handle the calculation of active retirement results to reflect automatic COLAs?
57. How do you locate deceased or missing Plan participants? Please describe your procedures including frequency and search databases utilized. Do you verify deceased participants via the Social Security Administration? Do you use third party search offerors for this need. Please provide the frequency with which such searches are performed.
58. Does the system generate popup error warnings and are these standard or can they be customized?
59. Describe your service standards and turnaround time for the completion of the following: Issuance of annual defined benefit Participant Statements; Transaction Confirmation Statements; Hard Copy Plan Level Administrative Reports; Retirement Benefit Calculations/Estimates; Defined Benefit Retirement Packages; QDRO Processing.
60. Describe how you will process retirement payment authorizations/instructions with the bank/custodial trustee. Will you perform a monthly payment reconciliation of processed payments/changes?

D. System Testing

1. Describe your testing life cycle for newly developed system functionality before it is released internally to your staff and used for services to clients.
2. Describe your different testing environments (development, unit test, integration testing, UAT, etc.) and how they are utilized.

3. Does the client have access to different testing environments?
4. What are the client requirements for testing and sign-off during the implementation cycle?
5. How is configuration or control data managed from environment to environment during testing?
6. How is employee data managed from environment to environment during testing?
7. Please describe a typical testing plan for a new customer going through implementation, including the number of “rounds” considered standard and covered under the quoted fees before the client sign-off. Please provide the typical number of hours commitment required for client staff during implementation.

E. Regulatory and Compliance Services

1. Describe your ability to ensure regulatory compliance for the City of Burlington and how you address any issues that occur.
2. Describe how you monitor §401(a)(9) required minimum distributions including:
3. Identification of individuals
4. Determination of the amount of the minimum required payment
5. Payment within required deadlines.
6. Annual updates for those in pay status
7. Describe your capabilities and timeframes for monitoring maximum benefit and compensation limits.
8. How do you address violations of compliance with any regulations?
9. As part of your service, do you provide an annual benefits file, containing financial and non-financial data by participant?
10. Please provide a current SSAE 16 audit of your DB administration services/systems, or any other recent audit you have performed.
11. Please acknowledge and describe in detail your fiduciary responsibility with respect to the City of Burlington’s DB Plan.
12. How will you ensure that the Plan administration remains in compliance?
13. How do you ensure that your recordkeeping system is in compliance with all applicable rules and regulations?
14. How quickly are any such regulatory changes reflected in the system?
15. Do you provide a client with plan information needed for any public reporting needs?
16. What resources do you have to obtain legal opinions, interpretations of laws, regulations, and other matters pertaining to DB plans?
17. If the City wanted a detailed review conducted of your DB administration processing over a specific period, would you allow on-site access to the reviewing third-party to interview your staff members who perform the administration?

F. Annual Plan Audit

1. What assistance do you provide to your clients for any conducted audits?
2. Please provide a listing of documentation and reporting that would be included in support of an audit.
3. Do you offer any performance guarantees with respect to delivering information for such an audit?

G. Systems Capability/Hardware

1. Describe the hardware platform and software system you use to administer defined benefit plans.

2. Was the software developed internally, leased, or purchased from another offeror? Who has the ultimate responsibility and authority to make sure the software remains current to laws, regulations, client needs, etc.?
3. How long have you used these systems for defined benefit administration?
4. Are the different outsourcing services you offer fully integrated for process and systems connectivity?
5. Please provide a diagram of the integration of your systems for administration services.
6. Are you planning any major change in the software or hardware supporting your system in the next 24 months? If yes, please describe.
7. Describe your documented disaster recovery plan. How often do you test your recovery system?
8. Where is your main data processing center located? Where is your back-up center located?
9. Where is your customer service center located? Where is your back-up customer service center?
10. Describe your maintenance and back-up procedures including daily back-ups, retention timetable and off-site back-up storage approach.
11. Describe any system outages within the last three years and how have they been handled? Has any liability resulted from these outages and are there any pending claims related to these outages?
12. Please explain your disaster recovery plans and procedures to handle the following situations: Loss of inbound telecommunications services by the carrier; Individual system failure including the following systems: PBX, IVR, application server, case management system; Loss of power; Loss of daily backup/natural disaster.
13. Provide information on how short outages (2 hours or less) vs. prolonged outages (more than 2 hours) would be handled.
14. How often and how is your backup plan tested?
15. Please describe the most severe disaster that has occurred at your facility and explain the cause, how it was handled, and what steps were taken to prevent future occurrences.
16. Describe the method of maintaining plan sponsor and participant history on the system.
17. Describe in detail your procedures and safeguards used to guarantee: Security for your hardware and facility; Authorized access to data; Confidentiality of data; Security for any hard copy of plan-related data or documents.
18. Are internal controls of your system audited by an independent accounting firm on an annual or more frequent basis? If so, who conducts the audit?
19. How are Participant and/or Plan Sponsor requests for changes made? (e.g., online submission of beneficiary information, etc.)

H Technology – Systems, Software, and Database Questions

1. Systems - What technologies or functionality separates you from your competition?
2. Systems - What client browsers, versions, and configurations are and are not supported?
3. Software – Have your applications been developed using an object-oriented model? If not, what software engineering approach is used?
4. Systems - Are any other applications or services which your system may be dependent on, provided by a third party offeror? If so which and by whom?
5. Software - Who would be responsible for any customization of the systems and continued maintenance to ensure compatibility with future core application releases?
6. Systems - What is the capacity for number of simultaneous users for your applications?
7. Systems – Do your systems applications exhibit any time zone issues such as clocks being seasonally turned back or ahead? Are data capture timestamps using local (client) time or server location time?
8. Software - Does the web application generate dynamic pages?
9. Software - Are cookies utilized? Please describe their usage. (also see Security)

10. Systems - Does the applications provide multi-lingual interfaces?
11. Systems - Describe any Electronic Data Interchange (EDI) functionality that may be in use.
12. Systems - Describe any batch processes and scheduling capability available for client use.
13. Software - What is the software change management process (versioning, dating, etc.)?
14. Systems - Describe mechanisms for client system upgrades, if any.
15. Systems - Do upgrades require any downtime? If so, please explain duration, etc.
16. Software - What Quality Assurance measures do you have in place?
17. Systems - Describe the testing methods and processes used during the development and testing phases.
18. Systems - How are systems problem reports and resolutions documented?
19. Systems - Are all application test cases and scripts that are developed for use during your testing phases available for client use and modification to facilitate the City's user acceptance testing?
20. Systems - What processes have been defined for the client business owners to be able to provide input for future functionality?
21. What kind of system upgrades and expenditures are planned and scheduled for the next 18 months?
22. Database – Describe the capacity planning guidelines for initial setup and future requirements.
23. Database – What database and version is being used for your application? Please describe any and all that may be used throughout the application
24. Database - Is data updated in real time? Are there any areas where it is not updated in real time?
25. Database - Does your database software package provide full text searching capabilities on the most current (real time) data?
26. Database - What mechanism is employed for initial conversion activities?
27. Database - What access level restrictions apply to the data?
28. Database - Are stored procedures used, and if so, to what extent and for what functionality?
29. Database - Are you familiar with applicable government data protection regulations, and are all governmental data protection regulations being adhered to?

I. Security

1. Policy - Do you have any documented security requirements for your web application?
2. System - Are application error messages constructed consistently and without excessive information?
3. System - Does your application prevent the browser from caching sensitive information?
4. System - Are cookies used for authentication within the application?
5. System - Do cookies contain sensitive information?
6. System - Do the cookies expire? If so, after how long?
7. System - Are the cookie paths and domain parameters restricted as appropriate for each application?
8. System - Does each application contain its own file for authenticating users (i.e. User ID and password file)?
9. System - Are all session IDs randomly generated?
10. System - Is the session ID set to a reasonable length to protect against brute force guessing?
11. System - Is the session ID perishable?
12. System - Is the session ID sent over SSL?
13. System - Are concurrent sessions with one session ID prevented?
14. System - Describe how your application supports single sign-on.
15. User Application Administration - Who is responsible for the administration of the User IDs for the application?

16. User Application Administration - Is every user of the application (both end users and administrators) required having his or her own unique ID of which no other person knows the password?
17. User Application Administration - How is the user's identity properly authenticated, when a change in authority or a password is reset?
18. User Application Administration - Does the application incorporate a "super user" type of User ID for system administration? If so, what are the privileges associated with that role?
19. User Application Administration - Does the application system prevent the use of generic User IDs or block support for multiple concurrent sessions using a single user? If not, do user administration procedures prevent creation of generic User IDs?
20. User Application Administration - Does your system have permissions that allow certain groups to see and edit only specific data? Who administers these permissions?
21. Administration - When short-term access is needed for a powerful resource or authority, can that access be assigned with a time limit or expiration date?
22. Administration - What are your format guidelines for password construction, (e.g. 8 characters, alpha-numeric, etc.)?
23. Administration - Do the application passwords expire after a predetermined period of time (i.e. every 60 days for normal users, every 45 days for "super users") or can they be configured?
24. System - Are all passwords required for system to system communication "changeable" (i.e. no hard-coded passwords)?
25. Encryption - What methods are employed to encrypt and protect confidential or sensitive information (passwords, pass phrases, other personal information) as it transits from browser to server and back?
26. Encryption - Does anyone have the capability to decrypt any of the encrypted information that is captured and stored by the application? If so, is the capability restricted to personnel that have a relevant business need to know access and view the data?
27. Encryption - Do you utilize a Secure File Transfer Protocol (SFTP) when exchanging information with the client?
28. Facility - Please provide information about the security of the facility where the participant data will reside. Comment on the security of key data elements such as SSNs, dates of birth, etc. and the steps maintained within facility and within your administration unit to protect it.
29. Audit - Does the application system record all unauthorized or unsuccessful attempts to log on to the system? Can these be viewed by the client?
30. Audit - Does the application lock out User IDs after a predetermined number of invalid logon attempts?
31. Audit - Does the application log users off or require re-authentication after a predetermined period of inactivity? If the application does provide automatic timeout functionality, is the timeout period configurable by the client?

J. Plan Implementation

1. Describe your approach to implementing changes to business processes, systems and applications that may be required by clients.
2. Describe a typical implementation of your administration services (including expected duration).
3. Describe your standard implementation team structure.
4. What is the extent of your actuarial support if it is needed during implementation of DB plans for such things as actuarial equivalent calculations, etc.?
5. Describe the resources and expected time commitment that the City will need to provide for implementation.
6. What techniques are used to ensure that data integrity and data quality are a part of the implementation plan?

7. Give examples of recent transitions by the team that will be assigned, providing at least one situation that included significant “Lessons Learned”.

K. Historical Data Capture and Cleaning

1. Describe your typical implementation and your migration process.
2. Do you have data capture and cleaning tools that you would utilize and have available to support the City in capturing the data for this project? If so, describe your data “cleaning” tools and your data “capture” tools.
3. Describe your typical approach to capturing and cleaning historical data.
4. What role will the City be required to play in the collection of historical data? Will you work directly with the City’s current DB administration outsourcing offeror to facilitate the data transfer process?
5. If it is necessary for you to become involved, please provide separate pricing for your firm to be involved in the capture and cleaning of the City’s historical data.
6. What are the City’s options in “going live” with your outsourcing solution if a data capture/cleaning project is needed and is not complete?

L. Customer Service Center

1. Where are your customer service center(s) located? Where are your back-up customer service center(s) located? Please indicate the location and back-up location that would service the City’s participants. Does the client have any choice in which customer service center services their participants?
2. What are the standard hours of operation of your customer service center(s)? Is this flexible if the City requests different hours?
3. What is your turnover rate for customer service representatives?
4. What are your educational requirements for your customer service representatives (CSRs)? Focus on call center skills, use of call center equipment, benefit training, HR training, customer service, problem resolution, and other operator training areas.
5. What languages are your CSRs capable of handling?
6. Is your systems solution fully integrated with the customer service function? What workflow tools do you have in place for escalation of calls and routing of process? Are your clients able to access your workflow tools to see the current status of a request?
7. Please provide statistics concerning typical customer service levels for your clients – average wait time, frequency of abandoned calls, average call length, average volume on standard and peak periods, etc.
8. Describe your training process to bring on a new CSR for a client’s plan. How long before a new representative will commence dealing with “live” calls? Are clients involved in testing new CSRs?
9. How do you monitor and maintain quality standards on customer service calls?
10. How do you increase CSR staffing for peak periods?
11. Do you have different levels within the customer service function for call escalation? Under what circumstances is a call referred to a plan administrator outside of the customer service center?
12. Are all calls recorded? Are all callbacks by customer service representatives and plan administrators recorded? What is the accessibility of these recordings by the client and how long are they retained?
13. Are client assigned staff dedicated to a specific client or do they work on multiple client assignments? How are your staff supported and phone coverage maintained for periods of vacation, FMLA, disability, etc.?
14. Will the City have a dedicated toll free 800 phone number for the City’s participants to use?

M. Automated Voice Response System (VRS)

1. Please provide a phone number and instructions on how to access a demonstration of your automated VRS capabilities available to DB participants.
2. Describe the services available through your automated VRS.
3. Do you have a back-up center for the VRS? If yes, where is it located, and is it in continuous operation?
4. Describe the PIN management process including timing of assigning new PIN at the initial conversion and upon new plan enrollment.
5. At what point in the call can a participant elect to move from the VRS to an operator?
6. What DB transactions can be processed through the voice response system (i.e., PIN changes, address changes, etc.)?
7. Is the VRS fully capable of generating all the necessary administrative forms to handle retirement requests, beneficiary change requests, etc.?
8. Do any VRS transactions generate written confirmations? Can Participants request confirmation statements be e-mailed to them?
9. Does your VRS capture and retain information regarding the confirmation of a participant request?
10. In a situation whereby a participant calls the VRS but does not properly provide the needed information to complete the needed transaction, do you retain a record that such a call was placed but not executed?
11. How quickly is the VRS updated after changes are performed?
12. Can both active participants and retired participants perform change requests through the VRS? Can you provide a feedback report back to the City to update their records for such changes?
13. Does your VRS accommodate non-English speaking participants? Please describe the accommodations.
14. Does the VRS accommodate hearing/speech impaired participants? Please describe the accommodations.
15. Describe how data is secured within the system (i.e., PIN, audit trail, changes, confirmations).
16. Describe the security through which a participant passes to use your voice response system (e.g., recorded lines, personal identification numbers, and confirmation notices).
17. Describe any security breaches that resulted in improper access through your VRS within the last three years.

N. Reporting and Participant Communications

1. Describe the standard reporting package that you would provide the City (provide samples).
2. Will the City be able to generate these reports and other reports on-line?
3. What is the standard timeframe for providing each plan sponsor report after the reporting period ends?
4. What types of demographic participant data will you be able to provide?
5. Describe your flexibility to produce ad-hoc plan level reports.
6. Describe your standard participant statements and documents (provide samples).
7. Describe your customization capabilities for branding participant statements.
8. Do you have the flexibility to include a section for customized messages from the City on participant statements?
9. Can you include other printed information, prepared by the City, with the mailing of statements to participants? If so, please verify that this service is available at no additional cost.
10. Can statements be provided to participants on an on-demand basis?
11. Briefly describe your background and experience in providing communication and education programs.

12. How long have you been providing communication services to the public sector?
13. Describe separately your initial and on-going communication and education program (including printed material, visits, training, etc.). If the program is tailored to a specific plan sponsor need, identify the critical issues to be determined in designing such a program.
14. Provide samples of initial and on-going communication and education materials.
15. Identify the key elements provided as part of a standard communication and education program package.
16. Will you provide participants with onsite, group education and retirement planning sessions or pre-retirement seminars on an on-going basis? (Yes/No). If yes, please list the titles of the subjects that are covered in your program. No description necessary.
17. Do you offer video or web-based educational programs to participants and retirees? (Yes/No). If yes, please list the classes/courses currently available. No description necessary.
18. Do you provide information to Plan participants regarding options on distributions? Describe any services or programs you provide for participants leaving the Plans.
19. When was the content and look of your standard materials last modified?
20. Do you create all of your communication and education materials in-house or through third parties? If so, fully disclose.
21. Describe the City's role in the communication and education process.
22. To what extent can the City customize communication and education materials (e.g., plan name, logos)? Please state if there would be additional charges for customizing or editing these communication materials.
23. Are you willing to provide customized surveys to assess the success of the education program? (Yes/No).
24. How do you propose staffing for employee education seminars? Please provide your rationale for determining the appropriate staffing for the Plan.
25. What is your annual cost associated for each dedicated service representative?
26. How many field service representatives are you assigning to the Plan? Will they be 100% full-time dedicated representatives? Where will they be located for the City?
27. Will you need to hire any additional staff in order to service the City's account?
28. Briefly describe the credentials and related experience of any local service representatives who will be assigned to the City.
29. How many other plans' accounts will the City's assigned representatives be responsible for?
30. Will the representatives assigned to the City's Plan be employees of your firm?

O. Participant Internet Services

1. Provide an Internet address and instructions on how to access a demonstration of your Internet capabilities for both the participant and plan sponsor.
2. Describe in detail your Internet capabilities. What types of web-based Internet services do you provide to Plan participants?
3. Please specify participant transactions available.
4. Please specify any transactions that cannot be completed via your Internet site.
5. Can a participant add/change beneficiary information online?
6. Can the Plan Sponsor manage sick leave conversions online?
7. What communication materials or tools do you offer the Plan participant via the Internet?
8. How are participant-initiated transactions processed through the Internet? Are confirmations sent? Are they available immediately?
9. Can participants e-mail account specific questions via the Internet site? If yes, who receives the e-mail, researches the issue, and responds? What is the turnaround time?
10. Do you track Internet site hits? If yes, describe what is tracked and the standard reports the City will receive.

11. Describe the security through which a participant passes to use your Internet system. What firewalls do you have in place for your Internet services?
12. What improvements to your Internet capabilities are designated to occur in the next two to three years?
13. Are the VRS, Internet, and Customer Service Center's workstation all linked to the same recordkeeping database?
14. Describe any online capabilities that your system provides for plan sponsor access.
15. Does your website include the ability for the participant to load other retirement income in order to run multiple retirement projection scenarios?
16. Does your website include the capability to add/change beneficiary information?

P. Employer Education

1. Describe all training you can make available to the City's benefits, HR, and payroll staff regarding general defined benefits topics.
2. Do you provide education services for the City with respect to Fiduciary responsibilities and regulatory updates? Are there annual conferences?
3. Do you provide ongoing training and support regarding the transmission and receipt of contribution/payroll files?
4. Do you provide ongoing training and support regarding features of the plan sponsor website?
5. Do you update the plan sponsor about plan compliance with current and future regulatory requirements including any participant notifications?
6. Do you provide training and support in providing documentation for the annual plan audit?
7. Do you provide training and support regarding Employee Benefits Communications?
8. Do you provide a full summary of processes and procedures that you utilize with respect to defined benefit administration?

Q. Fees/Contract

1. It is expected that a contract with milestones (contract signing, testing, implementation, etc.) is implemented with clients. Have you entered into this type of arrangement in the past?
2. When do ongoing administration fees start?
3. Does the fee you quoted include any contingency to pay for any future regulatory or plan changes that will require system changes? If so, what kinds of changes would be included in the quoted fees? If not, please provide the estimated cost of such types of required changes to the systems and/or administration processes.
4. What is the standard length of time that you contract your services?
5. Please provide a copy of your standard contract including your standard performance guarantees.
6. Do you quote DB administration outsourcing fees on a per participant fee or flat fee basis? Please indicate the reason why you quote on a specific basis, if any.

R. City Requirements

1. Identify all requirements and responsibilities of the City and the City team to ensure successful implementation. Please include time and activities that will be required.
2. What are the ongoing responsibilities of the City and City team? Identify what ongoing support will be required by the City team to ensure all of the needs of members are met. Please include time and activities that will be required.
3. Please provide a detailed implementation plan that clearly identified the City's deliverables and responsibilities.

PART C PROPOSAL FORMAT AND EVALUATION

C-1 FORMAT OF OFFEROR PROPOSALS

This section sets forth the format that must be followed by offerors in developing their proposals in response to this RFP. Proposals that vary from this prescribed format are subject to being judged non-compliant and withdrawn from consideration.

The offeror must understand that BERS will view the degree of compliance with this section as an indication of the degree of cooperation to be expected from the contractor in working with BERS after contract award. BERS' request in this vein is not arbitrary; rather it is designed to enable the evaluation team to compare, in as straightforward a manner as possible, the contents of all proposals. Thus, it is in the offeror's best interest to organize its proposal as described below.

Offerors are to submit separately bound and separately packaged Service and Cost Proposals. No cost information is to be included in the Service Proposal – with the single exception of Section 1.5, Exceptions, in which it is permissible for offerors to include relative or differential cost information (i.e., percentages are acceptable; hard dollar amounts are not). Please refer to the discussion under 1.5 Exceptions, below.

The proposals are to be prepared on standard 8½" x 11" paper. All proposals are to be in single-column format and page-numbered from first page to last, with the permitted exception of attachments to the proposal. A Table of Contents must be included. Foldouts containing charts, spreadsheets, and other necessary supporting documentation are permissible, but must be held to a minimum. The pages must be placed in a binder with tabs separating the major sections outlined below. Figures and tables must be numbered and referenced in the text by that number.

The following information must appear on the title page of each copy of both the Service and Cost Proposal:

Burlington Employees Retirement System (BERS)

Service or Cost Proposal

for

[Pension Outsourcing Services]

Federal Tax ID Number: _____

Closing date and time for submission of proposals: _____

[Name, title, address, telephone numbers of organization submitting proposal]

Signature _____

An individual authorized to bind the respondents to its provisions must sign proposals. The proposal must remain valid for at least one hundred eighty (180) days from the proposal receipt deadline.

Offerors must provide the following number and type of submissions when submitting their proposals:

-) Three (3) originals (marked as original) of the Service Proposal.
-) Three (3) originals (marked as original) of the Cost Proposal.
-) One (1) Jump Drive of the Proposal; in Microsoft Word and/or Excel format – one folder containing proposal as submitted and another folder containing proposal with confidential information redacted or removed and in PDF format (refer to Section **Error! Reference source not found.** for provisions relating to confidential proposal material).

All printed copies of proposals and the electronic version provided on Jump Drives must be clearly labeled to be easily identifiable with the offeror's submission. The Word and Excel files must be provided in an "unlocked" form that will allow BERS to edit, insert comments, "cut-and-paste" and annotate the documents and spreadsheets with comments and revisions during its evaluation. Finally, we point out that BERS' internal review of the electronic version of the response is greatly facilitated if the proposal is a single MS Word document.

Specific contents to be included in each section of the offeror's proposal are discussed in detail below.

Table of Contents

Each page of the proposal must be numbered (with the possible exception of pre-printed material included in attachments), and each section heading must appear in the proposal Table of Contents.

Proposal Letter

The Proposal Letter must be included and must be signed by a person authorized to legally bind the company. It should clearly indicate the name of the responding organization, including the Respondent's e-mail address and web site address as well as the name, address, telephone number and e-mail address of the organization's primary contact for this proposal.

Failure to include this signed proposal letter may result in needless delays.

PART A Offeror Information

A-1 General Information

A-1.1 Offeror Certifications and Affirmations

In this section, the offeror must include the following statements of affirmation:

-) A statement regarding the offeror's legal structure (e.g., a LLC, a corporation), Federal tax identification number, principal place of business, and status of registration to do business in the state of Vermont with the Vermont Secretary of State

-) A list of the people who prepared the offeror's proposal, including their titles
-) The name, phone number, and email address of a contact person who has authority to answer questions regarding the offeror's proposal
-) Identification of any contact that the offeror or any other third party which has been retained by the offeror in any manner has had with BERS staff, BERS Board members, or legislative or gubernatorial staff related to the procurement. In addition, describe the nature of the contact, the dates, and the substance thereof. Failure to do so accurately may be grounds for rejection of your proposal and/or cancellation of any subsequent contract.

The offeror must also include the following seven certifications:

1. Certification as to whether the offeror has ever had a contract terminated for default or cause. If so, the offeror must submit full details, including the other party's name, address, and telephone number.
2. Certification as to whether the offeror has ever been assessed any penalties in excess of five thousand dollars (\$5,000), including liquidated damages, under any of its existing or past contracts with any organization (including any governmental entity). If so, the offeror must provide complete details, including the name of the other organization, the reason for the penalty, and the penalty amount for each incident.
3. Certification as to whether a client has ever demanded payment of a performance bond or a bid bond of the offeror. If so, provide the name of the client, client contact information and an explanation of the circumstances.
4. Certification as to whether the offeror has ever been, or is currently, the subject of any governmental action limiting the right of the offeror to do business with that entity or any other governmental entity.
5. Certification as to whether trading in the stock of the offering company has ever been suspended. If so, provide the date(s) and explanation(s).
6. Certification as to whether the offeror, any officer of the offeror, or any owner of a twenty percent (20%) interest or greater in the offeror has filed for bankruptcy, reorganization, a debt arrangement, moratorium, or any proceeding under any bankruptcy or insolvency law, or any dissolution or liquidation proceeding.
7. Certification as to whether the offeror, any officer of the offeror, any director of the offeror, or any owner with a twenty percent (20%) interest or greater in the offeror has been convicted of a felony or is currently under indictment on any felony charge.

If the answer to any of the seven (7) certification items above is affirmative, the offeror must provide complete details about the matter. An affirmative answer to any of these items will not automatically disqualify an offeror from consideration. The committee will make its decision based on its determination of the seriousness of the matter, the matter's possible impact on the offeror's performance on this project, and the best interests of BERS.

A-1.2 Statement of Understanding

In this section, the offeror must summarize its understanding of the requirements set forth in the RFP. Responses should clearly identify which of the services requested above are included in the proposed offering.

Proposals should also include Appendix A (provided in this RFP), signed by an authorized representative or lead consultant attesting that all terms, conditions and procedures outlined in this RFP are understood and have been followed

A-1.3 Deliverables

In this section, the offeror must identify and briefly describe the service deliverables it will provide to BERS. The offeror is encouraged to identify and cost additional services, as it deems appropriate.

A-1.4 Assumptions

In this section, the offeror must identify and discuss all assumptions it has made in preparing its proposal. Further, the offeror must state that there are no further assumptions related to meeting requirements of the RFP other than those enumerated in this section of the proposal.

Please include any assumptions you have made with regard to facilities to be provided by BERS for office space and meeting / training rooms.

Any assumptions mentioned elsewhere in the offeror's proposal will not be valid unless they are also listed in this section.

In setting forth their assumptions, offerors should note the difference between "assumptions" and "exceptions" and take care that no **exceptions** to the RFP's requirements are included. Valid "assumptions" are suppositions made by the offeror about issues on which the RFP is silent. "Exceptions" are suppositions made by the offeror that contradict, or fail to conform with, one or more of the requirements stated in the RFP. Any items that are actually exceptions to the RFP's requirements, but misrepresented by the offeror as assumptions in Section A-1.4 of the proposal, will be treated as exceptions by BERS – and will, due to the misrepresentation, have a greater negative effect on the offeror's technical score than would be the case had the item been correctly classified by the offeror as an exception. (See A-1.5 Exceptions below for a discussion of how to set forth exceptions.)

A-1.5 Exceptions

In this section of the proposal, the offeror must affirm that it has read and understands the RFP, any RFP amendments issued, and the questions and answers provided during and after the bidders conference. The offeror must state in this section of the proposal any and all exceptions it takes with the technical / functional requirements and deliverables set forth in the RFP and/or with any terms and conditions contained in the RFP relating to the ensuing contract. Only those exceptions identified in this single section of the proposal will be considered by BERS; any others "distributed" across the proposal will be superseded by the provisions of this RFP and will not be considered or honored by BERS.

For each exception listed in Section A-1.5 of the proposal, the offeror is required to propose at least one alternative that would still be acceptable to the offeror, as a potential offeror, and that the offeror reasonably believes will be acceptable to BERS. In other words, the offeror is required to be creative in addressing all exceptions by setting forth two alternative versions of each one (alternative A and B) in the hope that the offeror and BERS will more quickly arrive at a mutually acceptable compromise. The alternative versions of each offeror exception may take various forms – again, the offeror is being encouraged to apply creativity in order to accommodate legitimate offeror reservations in a fashion that will not lead BERS to reject the bid due to onerous exceptions.

A-2.0 Offeror's Qualifications

This section shall include details on the experience of the offeror and offeror's recent clients having requirements similar to those of BERS.

A-2.1 Offeror Background

This is an introduction to the offeror's company: its history, scope of operations, organization, size, and any other relevant information about the company that the offeror desires to include.

In this section, the offeror must provide basic information about its organization, including the following:

-) The name of the offeror and the location of its principal place of business and all other offices, including the location of the office which will perform work on behalf of BERS
-) Any change in the ownership status of the company in the past three years (or any forthcoming change)
-) The average number of employees over the past five years, the average number of full-time employees, the average number of contract employees, and the average number of total employees (state explicitly the number of professional employees)
-) Number of years in business
-) Brief history of company, products, and services
-) Company and product visions; must demonstrate commitment to product life and enhancement for at least eight years
-) Industry innovations or best practices
-) Number, nature and name of subsidiaries and operating divisions
-) Where incorporated or otherwise legally established
-) Representative client list
-) Include a copy of any applicable certifications.

A-2.2 Relevant Project Experience

The details of offeror's experience relevant to the project shall include a summary of the offeror's experience over the past three (3) years in offering pension services for multi-employer, defined benefit, public employee retirement systems. To meet BERS' minimum qualifications, the offeror must be able to cite five or more such previous public sector projects. This section shall also include a discussion by the offeror regarding similarities between BERS and the client implementations cited.

Offerors should submit a list of at least five current and former (within the past five years) clients and describe the work performed for each, together with an analysis of the degree of similarity in the scope of the services BERS desires to that of the referenced client. Indicate whether the client is a current client (i.e., one with whom a project is currently underway) or a former client (i.e., one for whom no work is being performed). For all references, include the site name, the name / title / phone / address of a client representative who is familiar with that work and may be contacted regarding the firm's qualifications and past performance, start and end dates of the contract, and the initial and final project cost, including all change orders. Provide a brief summary of the project including but not limited to business problem, scope, approach, and resources applied. In addition, provide for each reference a list

of the major subcontractors that supported the project and a list of all offeror staff members proposed to BERS who also participated in the referenced client project.

All references may be contacted by BERS to verify the offeror's claims. Offerors are advised to ensure that the contact person's telephone number is current and that each reference contact is willing to discuss the offeror's performance with the evaluation committee. Offers are welcomed to include more than five references if they wish.

Reference information should be provided by using the form on the following page, or in a similar manner. Replicate the form as necessary to provide profiles of all client references.

FORM 1. OFFEROR CLIENT REFERENCE FORM		
Burlington Employees Retirement System Pension Outsourcing Services – Offeror Client Reference		
Reference #:	Offeror Name:	Project Name:
Client:	Client Address:	
Type of Organization:		
Client Phone:		
Contact Name:	Contact Address:	
Contact Title:		
Contact Phone:	Contact Email Address:	
Service Start Date:	Service End Date:	
Project Summary, scope, approach, deliverables provided, resources applied):		

Similarity to BERS Project:						
List all offeror staff members proposed to BERS who also supported the referenced client: <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left; width: 33%;">Staff Member Name:</th> <th style="text-align: left; width: 33%;">Proposed Role for BERS:</th> <th style="text-align: left; width: 33%;">Role on Referenced Client:</th> </tr> </thead> <tbody> <tr> <td style="height: 80px;"></td> <td></td> <td></td> </tr> </tbody> </table>	Staff Member Name:	Proposed Role for BERS:	Role on Referenced Client:			
Staff Member Name:	Proposed Role for BERS:	Role on Referenced Client:				

A-2.2.2 Presentations

In this section, affirm the offeror's commitment to provide oral presentations (led by the offeror-proposed Project Manager) at BERS' offices, if so requested by BERS, in response to Section **Error! Reference source not found.** of the RFP.

A-2.3 Financial Information

This section of the proposal must contain offeror's current and two previous years' audited financial statements, including consolidated balance sheets and income statements (statement of profit and loss). Failure to provide this information may be grounds for rejecting offeror's proposal. (The offeror's annual report to shareholders should be included as an attachment – see below.) The offeror must describe the trends of the last five years in revenues, employees, and profitability. If the offeror is a subsidiary of a larger corporation, financial information specific to the offeror is required. An overall corporate information package may also be submitted.

Identify any legal actions, lawsuits, arbitration or formal protests related to public employee retirement systems projects in which the offeror is currently involved as a defendant at the time the proposal is submitted. Additionally, identify any other such actions in which the offeror has been involved during the past five (5) years.

The offeror must inform BERS if any entity used as a reference has a financial relationship with the offeror whereby the client may receive any sort of compensation, including but not limited to reduction in fees, commission, and/or credits based on references leading to sales of offeror's software, hardware, other products, or services.

The same financial information described above must be provided for any subcontractors and/or third parties proposed to participate in the project.

The offeror must summarize the percentage of its organization's current revenue that is derived from outsourcing service engagements. Similar information must be provided for each of the previous two (2) years.

A-2.4 Offeror Staffing

In this section, the offeror must provide detailed descriptions of how the offeror's team experience will meet the relationship requirements. Include team members' resumes (as discussed below), tailored to highlight experience and skills specifically relevant to their role on this effort.

The offeror must identify all the key personnel. Offerors are encouraged to specifically identify additional project staff members, if necessary. Each staff member proposed shall be identified by title, as well as by responsibilities and job functions and current client / home office location. The number of other personnel to be assigned shall be identified by job function and by firm.

BERS understands that the offeror may have one or more other proposals open and under consideration by other prospective clients and that offeror staff included in the BERS proposal may have been included in these other proposals. For any offeror resource so allocated, the offeror shall indicate in its proposal the role for which each such resource was assigned for each open proposal and the capacity (e.g., hours, % FTE) for which they have been proposed. In addition, the offeror will indicate what method it will use to resolve any conflict arising from the award of contracts competing for these resources.

Offerors shall also include the resumes of all key employees, and any other proposed staff members who are identified by name in the proposal. Those resumes must describe in detail the employee's experience in similar efforts as well as past education and training and certifications. Each resume must include, at minimum, the following information about each employee: name, title, role on project, # years related experience and detail of that experience, education, certifications, credentials, and years with the firm.

Offerors must also confirm in this section of the proposal their understanding that:

- J Personnel whose names and resumes are submitted in the proposal shall not be removed from this relationship without prior approval of BERS. Substitute or additional personnel shall not be used for this project until a resume is received and approved by BERS.
- J The replacement for any staff member who is removed from or leaves the relationship for any reason must match or exceed the replaced staff member in terms of skill level and experience. Such replacements are subject to BERS approval/rejection at the time of the assignment as well as at any time during the 90 days after the replacement begins work.

PART B Offeror Response to Project Scope

This section will contain the offeror's response to the project scope and their approach to delivering the required services. Also, in this section describe your approach to the transition from our current recordkeeping system. The completed questionnaire (exhibit 1) should be included in this section.

PART C Cost Information

The costs for the services and deliverables identified in Part B above should be presented in the following format:

- J) *Implementation Cost(s) – Offeror should present the total cost for implementation, with detail for each component of the fee.*
- J) *Ongoing, Annual Fee(s) – Offeror should present a proposal for the total costs to be incurred in each of the first three years of the initial term of the contract related to the pension outsourcing services (Section B.1). The fee schedule should include detail cost for each component offered, and should identify if the fee is fixed or variable. Please note, fixed fee proposals are preferred.*
- J) *Hourly Rates – Provide a schedule of hourly rates for each staffing level which may be utilized to perform the Consulting Services identified in Section B.3. Also, provide the estimated annual level of effort for these services.*
- J) *Other Charges – Please identify any other charges which BERS could expect to incur during the term of the initial contract*

ATTACHMENTS:

Attachment 1 Offeror’s Annual Financial Report to Stockholders and Audited Financial Statements

Attachment 2 Samples of Documents Delivered

Attach samples of documents provided to other clients on an adhoc, periodic (define period) basis

C-2 PROPOSAL EVALUATION

The evaluation and offeror selection process will be based on “best value”. This procurement method will be used so as to result in the “best buy” for BERS in terms of the functions to be performed.

The evaluation committee may request written clarifications of any offer received. However, BERS in its sole discretion may refuse to accept in full or in part the response to a clarification request given by any offeror.

Offerors are cautioned that the evaluators are not required to request clarifications; therefore, all offers should be complete and reflect the most favorable possible terms. BERS may elect to conduct negotiations with one or more offerors and make requests of offerors as may be necessary or proper for best and final offers (BAFOs).

The best and final offers must be received at the address identified in Section A-1.2 at a time and date to be specified by BERS. If a best and final offer is not submitted, the previous submittal will be construed as the best and final offer. BAFO proposals must be prepared in the same number of copies and packaged and submitted according to the same instructions that apply to the initial proposal submission (please refer to Section C-1). Final ranking of responses and award of the contract will be made after BERS reviews all bids and completes its evaluation, including the evaluation of best and final offers, if they are requested. An award will be made to the offeror with the most advantageous offer.

C-2.1 BID EVALUATION

In compliance with the City of Burlington’s Procurement Policy, City staff will evaluate all complete proposals from qualified consultants. Consultants will be scored up to a maximum of 125 points based on the following criteria:

- 1) **Experience & Qualifications** relevant to key personnel and/or sub-contractors (15 pts)
- 2) **Project Understanding & Knowledge of Area** depth of relevant experience (25 pts)
- 3) **Proposed Team** and their relevant experience (10 pts)
- 4) **Budget & Value** as related to proposed and additional costs (15 pts)
- 5) **Depth of Skills** related to technical aspects of project (15 pts)
- 6) **Depth and Quality of Service** offered to members (10 pts)
- 7) **Level of Experience** with projects of similar size, structure and complexity (10 pts)
- 8) **Quality, Clarity & Completeness** of submittal package (10 pts)
- 9) **References** and review of offerer's provision of services (15 pts)

Responses will be reviewed by City staff, and possibly its consultants, based upon the information provided in the proposal. Additional information may be requested prior to final selection. The city intends to accept the bid it determines to be in the best interests of the city, based on the overall proposal, not exclusively on cost or any other specific factor. The city reserves the right to amend, modify, reject, negotiate, or accept any bid in whole or in part at its sole discretion. It is anticipated that a decision will be made within 30 days of the due date.

PART D TERMS AND CONDITIONS

It will be necessary for responding parties to comply fully with the following terms and conditions outlined in this document if they are to be considered. A letter attesting that the respondent has read, understands, and followed all procedures is a part of this RFP must be included as part of the final submittal (see Attachment A).

Communications

It is extremely important that all respondents are given clear and consistent information. Therefore, all respondents are required to submit any questions related to this project or RFP process via email. Responses to all submitted questions will be posted on the City of Burlington website at: <https://www.burlingtonvt.gov/RFP>. Questions concerning this RFP must be received via email per the schedule outlined on page 1. Inquiries received after this date will not be considered or answered.

Respondents should not communicate with any City department or employee during the submission process except as described above. In addition, no communications should be initiated by a respondent to any City official or persons involved in evaluating or considering the statement of qualifications or proposals. Communication with any parties for any purpose other than those expressly described herein may cause an individual firm, or team to be disqualified from participating.

General Compliance with Laws

The Consultant shall comply with all applicable Federal, State and local laws, including but not limited to the Burlington Livable Wage Ordinance, Union Deterrence Ordinance, Non-Outsourcing Ordinance, and City insurance requirements. A certificate of compliance with these ordinances will be required. The Livable Wage ordinance can be found at the following link: <http://www.burlingtonvt.gov/CT/Livable-Wage-Ordinance/>. Provisions of the resulting Agreement shall be interpreted and implemented in a manner consistent with each other and using procedures that will achieve the intent of both parties. If, for any reason, a provision in the Agreement is unenforceable or invalid, that provision shall be deemed severed from the Agreement, and the remaining provisions shall be carried out with the same force and effect as if the severed provisions had never been a part of the Agreement.

OWNERSHIP OF DOCUMENTS

Proposals, plans, specifications, and other documents prepared and submitted under this RFP shall become the property of the City.

PUBLIC RECORDS

Any and all records submitted to the City, whether electronic, paper, or otherwise recorded, are subject to the Vermont Public Records Act. The determination of how those records must be handled is solely within the purview of City. All records considered to be trade secrets, as that term is defined by subsection 317(c)(9) of the Vermont Public Records Act, shall be identified, as shall all other records considered to be exempt under the Act. It is not sufficient to merely state generally that the proposal is proprietary or a trade secret or is otherwise exempt. Particular records, pages or section which are believed to be exempt must be specifically identified as such and must be separated from other records with a convincing explanation and rationale sufficient to justify each exemption from release consistent with Section 317 of Title 1 of the Vermont Statutes Annotated.

Other terms

Costs for preparing your proposal in response to this request are solely the responsibility of the respondent. The City of Burlington, Vermont assumes no responsibility and liability for costs incurred by parties responding to this RFP or responding to any further requests for interviews, additional data, etc., prior to the issuance of the contract. The City of Burlington reserves the right to accept or reject any or all Statement(s) of Qualifications or proposals, with or without cause, and to waive immaterial defects and minor irregularities in responses. All decisions related to this solicitation by the City will be final. The City reserves the right to request clarification of information submitted and to request additional information of one or more respondents. All materials submitted in response to this RFP will become the property of the City upon delivery. This solicitation in no way obligates the City of Burlington to award a contract.

Equal Opportunity: the selection of consultant shall be made without regard to race, age, color, religion, sex, sexual orientation, gender identity, marital status, veteran status, disability, HIV positive status, genetic information or political affiliation. The City of Burlington is an Equal Opportunity Employer and encourages proposals from qualified minority and woman-owned businesses.

REGISTRATION

A successful consultant must be registered with the Vermont Secretary of State's office as a business entity doing business in the State of Vermont at all times the contract is effective. This registration must be complete prior to the execution of a contract.

INSURANCE:

Prior to beginning any work Consultant shall obtain the following insurance coverage from an insurance company registered and licensed to do business in the State of Vermont and having an A.M. Best insurance rating of at least A-, financial size category VII or greater (www.ambest.com). The certificate of insurance coverage shall be documented on forms acceptable to the City of Burlington. Compliance with minimum limits and coverage, evidenced by a certificate of insurance showing policies and carriers that are acceptable to the City of Burlington, must be received prior to the effective date of the Agreement. The insurance policies shall provide that insurance coverage cannot be canceled or revised

without thirty (30) days prior notice to the City of Burlington for cancellation. In the event that this Contract extends to greater than one year, evidence of continuing coverage must be submitted to the City of Burlington on an annual basis. Certified copies of any insurance policies may be required. Each policy (with the exception of professional liability and workers compensation) shall name the City of Burlington as an additional insured for the possible liabilities resulting from Contractor's actions or omissions. It is agreed that the liability insurance furnished by the Consultant is primary and non-contributory for all the additional insured. The Parties, for themselves, their insurers, and their officers, employees and agents, do hereby mutually waive all rights of subrogation on any claims of general liability, auto liability, and worker's compensation.

Consultant is responsible to verify and confirm in writing to the City of Burlington that:

(a) All Sub-Contractors, agents or workers meet the minimum coverage and limits plus maintain current certificates of coverage for all Sub-Contractors, agents or workers. Sub Contractors must comply with the same insurance requirements as MOPA.

(c) All work activities related to the agreement shall meet minimum coverage and limits.

No warranty is made that the coverage and limits listed herein are adequate to cover and protect the interests of Contractor for Contractor's operations. These are solely minimums that have been developed and must be met to protect the interests of the City of Burlington.

GENERAL LIABILITY AND PROPERTY DAMAGE:

With respect to all operations performed by Consultant, Sub-Contractors, agents or workers, it is Consultant's responsibility to insure that general liability insurance coverage, on an occurrence form, provides all major divisions of coverage including, but not limited to and with limits not less than:

1. Premises Operations
2. Independent Contractors' Protective
3. Products and Completed Operations
4. Personal Injury Liability
5. Contractual Liability
6. Broad Form Property Damage
7. Medical Expenses
8. Collapse, Underground and Explosion Hazards

1. General Aggregate	\$2,000,000
2. Products-Completed/Operations Aggregate	\$2,000,000
3. Personal & Advertising Injury	\$1,000,000
4. Each Occurrence	\$1,000,000

5. Fire Damage (Any one fire)	\$ 250,000
6. Med. Expense (Any one person)	\$ 5,000

WORKERS' COMPENSATION: With respect to all operations performed, Consultant shall carry workers compensation insurance in accordance with the laws of the State of Vermont and ensure that all Sub-Contractors carry the same workers' compensation insurance for all work performed by them under this contract. Minimum limits for Employer's Liability:

- (a) Bodily Injury by Accident: \$500,000 each accident
- (b) Bodily Injury by Disease: \$500,000 policy limit, \$500,000 each employee

PROFESSIONAL LIABILITY INSURANCE:

- (a) General. The Consultant shall carry professional liability insurance covering errors and omissions made during their performance of contractile duties with the following minimum limits:

\$3,000,000 - Annual Aggregate

\$1,000,000 - Per Occurrence

- (b) Deductibles. The Consultant is responsible for any and all deductibles.
- (c) Coverage. Prior to performing any work, the Consultant agrees to provide evidence of E&O insurance coverage defined under this Section. In addition, the Consultant agrees to attempt to maintain continuous professional liability coverage for the period of the agreement and whenever applicable any construction work related to this agreement, and for a period of five years following substantial completion, if such coverage is reasonably available at commercially affordable premiums.

AUTOMOBILE LIABILITY: The Consultant shall carry commercial automobile liability insurance covering all motor vehicles, including owned, non-owned and hired, used in connection with the agreement. Each policy shall provide coverage with a limit not less than: \$1,000,000 - Combined Single Limit for each occurrence.

UMBRELLA LIABILITY:

\$1,000,000 Each Event Limit

\$1,000,000 General Aggregate Limit

INDEMNIFICATION

The Consultant will act in an independent capacity and not as officers or employees of the Municipality. The Consultant shall indemnify, defend and hold harmless the Municipality and its officers and employees from liability and any claims, suits, expenses, losses, judgments, and damages arising as a result of the Consultant's acts and/or omissions in the performance of "non-professional services" under this contract. As used herein, "non-professional services" means services provided under this Agreement other than professional services relating to the design and/or engineering of all or part of the project. The Municipality shall notify the Consultant in the event of any such claim or suit covered

by this Subsection and the Consultant shall immediately retain counsel and otherwise provide a complete defense against the entire claim or suit arising out of “non-professional services” provided under this Agreement. The Consultant shall indemnify the Municipality and its officers and employees in the event that the Municipality, its officers or employees become legally obligated to pay any damages or losses arising from any act or omission of the Consultant arising from the provision of “non-professional services” (as defined herein) under this Agreement.

The Consultant shall indemnify and hold harmless the Municipality and its officers and employees from liability and any claims, suits, expenses, losses, judgments, and damages arising as a result of the Consultant’s acts and/or omissions in the performance of “professional services” under this contract. The Consultant shall be obligated to indemnify and hold the Municipality, its officers and employees, harmless from and against monetary damages to third parties, together with reasonable costs, expenses and attorney’s fees incurred and paid by the Municipality in defending claims by third parties (collectively “Damages”) but only in the event and to the extent such Damages are incurred and paid by the Municipality as the proximate cause of negligent acts, errors or omissions (“Professional Negligence”) by the Consultant, its employees, agents, consultants and subcontractors, in providing the professional services required under this Agreement. As used herein, “Professional Negligence” or “negligent acts, errors or omissions” means a failure by the Consultant to exercise that degree of skill and care ordinarily possessed by a reasonably prudent design professional practicing in the same or similar locality providing such services under like or similar conditions and circumstances.

After a final judgment or settlement, the Consultant may request recoupment of specific defense costs and may file suit in Vermont Superior Court, Chittenden Unit, Civil Division, requesting recoupment. The Consultant shall be entitled to recoup costs only upon a showing that such costs were entirely unrelated to the defense of any claim arising from an act or omission of the Consultant.

The Municipality is responsible for its own actions. The Consultant is not obligated to indemnify the Municipality or its officers, agents and employees for any liability of the Municipality, its officers, agents and employees attributable to its, or their own, negligent acts, errors or omissions.

In the event the Municipality, its officers, agents or employees are notified of any claims asserted against it or them to which this Indemnification clause may apply, the Municipality or its officers, agents and employees shall immediately thereafter notify the Consultant in writing that a claim to which the Indemnification Agreement may apply has been filed.

RELATIONSHIP

The parties agree that Consultant is an independent contractor. To that end, the Consultant shall determine the method, details, and means of performing the work, but will comply with all legal requirements in doing so. Neither the City of Burlington nor its departments shall provide Consultant with specific instructions or training in how to provide the required services, except to the extent required by law or regulation. Consultant shall provide its own tools, materials or equipment. In providing services under this Agreement, Consultant shall perform in a manner consistent with that degree of care and skill ordinarily exercised by members of the same profession currently practicing under similar circumstances at the same time and in the same or similar locality. The parties agree that neither Consultant nor its officers or employees are employees of the City of Burlington or any of its departments, agencies, or related entities. The parties also agree that neither Consultant nor its officers

or employees is entitled to any employee benefits from the City of Burlington. Consultant understands and agrees that it and its officers and employees have no right to claim any benefits under the Burlington Employee Retirement System, City's worker's compensation benefits, health insurance, dental insurance, life insurance or any other employee benefit plan offered by City. Consultant agrees to execute any certifications to the best of its knowledge, information and belief, or other documents and provide any certificates of insurance required by City and understands that this contract is conditioned on its doing so, if requested.

Consultant understands and agrees that it is responsible for the payment of all taxes on the above sums and that the City of Burlington will not withhold or pay for Social Security, Medicare, or other taxes or benefits or be responsible for any unemployment benefits.

RESERVATION OF RIGHTS

It is the intent of the City to select the proposal that it deems to be in the best interests of the City. To that end, the City reserves the following rights:

1. To accept any proposal in whole or in part;
2. To accept multiple proposals if doing so is in the best interests of the City;
3. To reject any or all proposals in whole or in part;
4. To waive any informalities, omissions, or irregularities in any proposal;
5. To terminate and reissue this RFP for any reason;
6. To remedy any error in the RFP process without reissuing it; and/or
7. To change or negotiate any specifications in the City's sole discretion.

APPENDIX A

City of Burlington RFP: Defined Benefit Plan Administration Outsourcing

Understanding of RFP Procedures, Terms and Conditions

This page to be returned with submission

I acknowledge that I have read and understand all procedures and requirements of the above reference RFP and have complied fully with the general terms and conditions outlined in the RFP.

Consultant Team: _____

Representative's Printed Name: _____

Representative's Title: _____

Representative's Signature: _____

Date: _____

EXHIBIT 1

Please complete all of the questions in this Section. All responses must be provided with your proposal submittal. Do not re-number or re-order the questions or responses. Do not feel that you must have a solution in place for each and every question. The evaluation of your information includes current as well as future plans and capabilities.

Questions		Response
A. Customer Service/Account Management		
A1	Describe your account/client management approach.	We have built our reputation on being responsive to our clients' needs. We do everything possible to assist our clients in ensuring that their plan operates according to the client's specifications. Our service teams are structured with enough depth to ensure that clients are always able to reach any one of the professionals on their H&H team. We also use state-of-the-art systems and proven best practices to ensure that plans are handled correctly, efficiently and cost-effectively. We are constantly seeking better ways to improve upon our services to continue exceeding our clients' expectations today and tomorrow.
A2	Describe your organization's commitment to quality and your philosophy /approach to client services.	We take quality control very seriously. Our internal WorkTrack system is used to monitor all client deliverables, and the data from that system is used to make informed decisions about case assignment. The workload of both consultants and analysts is periodically reviewed to ensure no employee's workload is such that client deadlines and/or quality of service will suffer. Our actuarial consultants meet on a regular basis to discuss workloads and share best practices. Because information systems are so important to the delivery of quality services, we have made a significant commitment to our Information Technology area - both in personnel and leading-edge computer systems and equipment. We are dedicated to providing outstanding service to our clients. We measure quality through client listening points such as client surveys and quality reviews, as well as internal operational and management reviews. We share best practices to ensure our clients are receiving all of the combined intellectual capital that the firm has to offer. Our processes and procedures are SOC 1 Type 2 compliance and we undergo an annual audit by BerryDunn for certification. Additionally, our compensation strategy is to compensate, recognize and reward professionals for superior individual performance and behaviors that positively affect their clients, team and co-workers. Compensation for team members is based on overall commitment to our service goals and success in meeting client requests and deadlines.
A3	Are the client/account team members that will be assigned to the City potentially from multiple locations? If so, how will the service team(s) be managed?	No, all services are administered from our one office located in West Hartford, Connecticut.
A4	Please provide an organizational chart of your proposed service team for this relationship. Provide the name(s), title(s), address(as), telephone and fax number(s), email address(as), and the responsibilities, functions, or roles of each individual who will be assigned to and responsible for providing the contracted services under the Plan, including the Client Relationship Manager who will be responsible for the overall relationship with the City. Please provide each individual's education and work experience.	An organizational chart for our Actuarial Services Group is provided on page (Page) of the proposal, and team bios (reference) are provided in the Exhibits section of this proposal. As a current client, your service team will not change. You will continue to work with Steve Lemanski, FSA, FCA, MAAA, practice leader and consulting actuary (860.856.2073, Slemanski@hhconsultants.com). Steve will be supported by Cathleen Falconer, pension administration team leader and implementation lead (860.856.2120; CFalconer@hhconsultants.com). Rob Lessard, ASA, ACA, MAAA, pension team leader and supporting actuary (860.856.2106; RLessard@hhconsultants.com) and Laura Hansen, actuarial specialist (860.856.2064; LHansen@hhconsultants.com). Both Cathy and Laura have been an integral part of our pension outsourcing program since its inception. Steve, Cathy, Laura and Rob will be supported by a team of knowledgeable actuarial analysts who are already familiar with your plan's specifications. Additionally, your service team will be fully involved with the implementation process to ensure that all aspects of setting up your outsourcing portal are seamless. Your transition team will be led by Cathleen Falconer who will continue to serve on your ongoing service team once the transition is complete. Cathleen will be supported by Robin Lane, a 20-year veteran who has a wealth of knowledge and experience. Both Cathleen and Robin will be supported by additional staff required to complete the transition as scheduled.
A5	How do you ensure that account continuity and knowledge is maintained on the accounts/clients from initial planning and conversion through implementation and ongoing servicing?	Service continuity is ensured because your implementation team will become your service team once the transition is complete. Additionally, as your current actuary, we already know your plan which means no learning curve or added delays in getting the portal up and running smoothly.
A6	Describe the hand-off process when moving from pre-sales to sale to implementation to support. Are personnel shared among the separate teams? What steps are taken to ensure smooth transitions? Has your organization performed a transition from Prudential Financial Group in the past?	The Question and Answer document provided by BERS indicated that we should not answer this question.
A7	How many of your employees work on public sector defined benefit plans? Provide a breakdown of the number of full-time equivalent employees working on defined benefit plans by the following functional areas: management; call center management/supervisors; customer service representatives (CSR's); field representatives; systems management; systems staff (development staff and operating/maintenance staff); and other support personnel.	We have 26 people working in our Actuarial Services Group, as follows: management (6); management and analysts (17); administrative support (4). Six professionals work in our Service Center: management (1) and support (5).
A8	Will you need to add local or onsite employees in order to provide the required services to the City? If so, please state the number of additional staff required, by job title and function.	No additional employees will be needed to provide the required services.
A9	How many public sector defined benefit plans have you gained in the last three years?	We have added 11 public sector defined benefit plans in the last three years.

Questions		Response																																																																																				
A10	Provide a representative list of public sector defined benefit clients for whom you provide defined benefit services. What is the total number of participants in all public sector defined benefit plans currently being administered by your organization?	<table border="1"> <thead> <tr> <th colspan="3">Municipal Clients</th></tr> </thead> <tbody> <tr><td>Town of Bethany, CT</td><td>City of Hartford, CT</td><td>Regional School District #13, CT</td></tr> <tr><td>Town of Bloomfield, CT</td><td>City of Meriden, CT</td><td>Regional School District #14, CT</td></tr> <tr><td>Town of Bolton, CT</td><td>City of Middletown, CT</td><td>Regional School District #15, CT</td></tr> <tr><td>Town of Branford, CT</td><td>City of Milford, CT</td><td>RHAM (Regional Hebron, Andover, Marlborough), CT</td></tr> <tr><td>Town of Brooklyn, CT</td><td>City of Nashua, NH</td><td>Town of Ridgefield, CT</td></tr> <tr><td>City of Burlington Employee Retirement System (BERS), VT</td><td>City of New Haven, CT</td><td>Second Taxing District Norwalk, CT</td></tr> <tr><td>Town of Canton, CT</td><td>City of New London, CT</td><td>Town of Somers, CT</td></tr> <tr><td>Capitol Region Education Council, CT</td><td>City of Norwalk, CT</td><td>Town of Southington, CT</td></tr> <tr><td>Charles County Bd of Ed, MD</td><td>City of Norwich, CT</td><td>Sprague Board of Education, CT</td></tr> <tr><td>Town of Clinton, CT</td><td>Orange County Community College Association, NY</td><td>Town of Stafford, CT</td></tr> <tr><td>Town of Colchester, CT</td><td>Town of Killingly, CT</td><td>City of Stamford, CT</td></tr> <tr><td>Town of Columbia, CT</td><td>Town of Killingworth, CT</td><td>Town of Stonington, CT</td></tr> <tr><td>Town of Coventry, CT</td><td>Town of Litchfield, CT</td><td>Town of Suffield, CT</td></tr> <tr><td>Town of Cromwell, CT</td><td>Town of Mansfield, CT</td><td>Third Taxing District Norwalk, CT</td></tr> <tr><td>CT Water Service, CT</td><td>Town of New Canaan, CT</td><td>Town of Thompson, CT</td></tr> <tr><td>City of Danbury, CT</td><td>Town of New Hartford, CT</td><td>City of Torrington, CT</td></tr> <tr><td>City of Derby, CT</td><td>Town of Newtown, CT</td><td>Town of Monroe, CT</td></tr> <tr><td>Town of Durham, CT</td><td>Town of Plainfield, CT</td><td>Town of Wallingford, CT</td></tr> <tr><td>Town of East Hartford, CT</td><td>Town of Plainville, CT</td><td>City of Waterbury, CT</td></tr> <tr><td>Town of East Lyme, CT</td><td>Town of Putnam, CT</td><td>Town of Waterford, CT</td></tr> <tr><td>Town of Eastford, CT</td><td>City of Groton, CT</td><td>Town of West Hartford, CT</td></tr> <tr><td>Town of Easton, CT</td><td>Town of Groton, CT</td><td>Town of Weston, CT</td></tr> <tr><td>Town of Enfield, CT</td><td>Lebanon Public Schools, CT</td><td>Town of Wilton, CT</td></tr> <tr><td>Town of Essex, CT</td><td>Lisbon School District, CT</td><td>Town of Winchester, CT</td></tr> <tr><td>Town of Fairfield, CT</td><td>New Shoreham School Department (Block Island Schools), RI</td><td>Town of Windham, CT</td></tr> <tr><td>Town of Greenfield, MA</td><td>Questar III, NY</td><td>Town of Windsor Locks, CT</td></tr> <tr><td>Borough of Naugatuck, CT</td><td>Town of Redding, CT</td><td>Town of Woodbridge, CT</td></tr> </tbody> </table> A representative list of public sector defined benefit clients, representing more than 6,700 participants in municipal plans is provided.	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A11	What is your experience in providing defined benefit plan administration services for similar governmental programs?	H&H was at the forefront of developing an online pension administration system to better serve our clients needs. Our first "online" client dates back to 1995. Over the decades, we have seen the industry evolve from a highly manual paper and pencil process to the use of online tools and robust databases that give plan sponsors and participants instant access to their data 24/7. Before the internet, our actuaries ran calculations and distributed them via the mail, fax and email once it was developed. When others did not, we offered clients and participants a "hot line" to call with questions about their pensions. So although the services were not provided online, our clients have always appreciated the innovation and convenience we bring to the table.																																																																																				
A12	Identify the key facets of your approach that make you uniquely qualified to provide services to the City.	As your current actuary, we know the specifics of your plan and are already familiar with your data. We believe that our pension administration program will greatly improve the way in which you and your participants view and manage your pension.																																																																																				
A13	Do you use any CRM tools to track and manage customer services and issues?	Our CRM, Sugar, is used to track sales activity and client relationship activity but it is not integrated with our pension administration software. We are currently working with a vendor to build a CRM that integrates with our administration and service center areas. Implementation is planned for 2019. We currently use MS Office tools for tracking and fulfillment of customer service issues.																																																																																				
A14	Describe your errors/omissions liability insurance and coverage. Describe the various types of insurance coverage and indemnification provided to protect clients.	If awarded this contract, we can provide a certificate of insurance indicating the following minimum coverage: Worker's Compensation - as required by law; General Liability with the client as additionally insured - \$1,000,000 CSL, aggregate of \$2,000,000; Automobile Liability - hired automobiles, combined single limit of \$1,000,000 per occurrence; Professional Liability - minimum limits of \$5,000,000 per occurrence. If the policy is on a claims-made basis, the policy shall be continually renewed for two years beyond the termination date of this contract and its renewals.																																																																																				
A15	Do you track customer satisfaction metrics? Do you conduct periodic client satisfaction surveys? If so, are these surveys conducted by an independent entity? Please include any recent key statistical figures and the results of any recent survey(s). What corrective measures or action steps do you perform to address clients and participants who are not satisfied with your service performance?	Our philosophy is simple - our clients come first! We endeavor to provide services to meet client needs, rather than adhere to a service standard. This deeply embedded philosophy is the core of our success and is what sets us apart from the competition. Our commitment to quality starts with our employees; we value them and give them the opportunity for ongoing training and advancement in order to create a favorable work environment that permits them to consider a career with H&H. We provide a personal touch, meeting and/or calling our clients regularly to inquire about their service experience to aid us in continuously meeting their changing needs. Our business model, systems, technology and staff are all geared towards bolstering this goal. To further ensure that we maintain our reputation for superior quality standards and to aid us in our constant improvement process, we developed a client satisfaction survey this year and plan to launch it in early 2019. Our goal is to utilize our findings to further improve our products, services and outcomes. When participant education is included in the plan, we survey participants at the end of each session to capture their feedback. We take pride in the expertise of our professionals and always hope to avoid any situation where a dispute arises. Most questions can be resolved via a conversation with a consultant or service center representative. In the event that a dispute needs to be escalated for resolution, we would reach out to the sponsor and your primary consultant to discuss the best outcome for both parties.																																																																																				
A16	What is the average number of account relationships for each of your proposed team members? What is the current number of account relationships for the entire team proposed for this account?	On average, each team member services approximately 23 client accounts. The total number of account relationships for the actuarial services team servicing this account is 48. The average number of clients for each service center team member servicing this account is 10, with a total of 50.																																																																																				
A17	What is the average tenure (in years) of the following positions: Plan Administrators; Client Relationship Manager; Field Service Representatives; Conversion Project Manager; Customer Service Center Representatives. This is a key issue for the City with regard to turnover on the account. Strongest consideration will be given to those organizations that can best exhibit consistency across service teams.	Turnover is relatively low at our firm. Many of our employees (38%) have been with us for more than 10 years, and 21% have been with us for more than 20 years. This longevity of service not only provides continuity to our clients, it lends experience to junior members of the firm.																																																																																				

Questions		Response
A18	What is the last date when your organization had a change in its business structure, whether through an acquisition or divestiture or through an alliance arrangement? If applicable, how did this change in business affect the administration division?	The firm has grown organically through strong relationships, and by delivering exceptional service and superior outcomes for its clients. The last change to business structure was the addition of our Investment Advisory subsidiary in 1996, and did not have an effect on our pension administration function. We have not gone through any mergers or acquisitions in our company's history and none are planned at this time.
A19	Describe any pending or anticipated plans to re-organize your company within itself or as part of the larger organization of which your company is a part.	There are no plans to reorganize within the firm at this time.
A20	What portion of your organization's expenses is related to system technology development?	We continually evaluate our existing systems to ensure we are in line with the pace of technology, and, correspondingly, set the technology budget each year to ensure the necessary upgrades or improvements are built in. On average, approximately 6-10 percent of our expenses are allocated to technology.
A21	If the City wanted a detailed review/audit, conducted of your administration processing over a specific period, would you allow on-site access to the reviewing third-party to interview your staff members who perform the administration?	Yes, we would allow for an audit given adequate advance notice of such request and limited in scope to the existing services being provided to the City. For your convenience, our existing external audit performed in support of our annual SOC 1 exam (reference) is provided in the Exhibits section of this proposal.
A22	Describe how member's user accounts are created and maintained.	User accounts are generated by the system. Password resets may be made by the plan sponsor, administrator or participant.
B. Service Agreement and Levels		
B1	Describe your dispute resolution process.	We take pride in the expertise of our service center representatives and always hope to avoid any situation where a dispute arises. Most questions can be resolved via a conversation with a service center representative. In the event that a dispute needs to be escalated for resolution, we would reach out to the Sponsor and your primary consultant to discuss the best outcome for both parties.
B2	Is there any client compensation for system and/or administration services down time?	Any type of compensation arrangement would be determined on a case-by-case basis at the discretion of your primary consultant.
B3	Describe how your company keeps its applications updated for the changing legislative and regulatory requirements. How long does it typically take for you to incorporate any such legislative changes into your systems and train your administration staff?	H&H continuously monitors legislative changes and works with our software vendors to make sure that all calculations are completed in accordance with the latest regulatory requirements. Updates to our software are made approximately ten (10) times each year so most changes are made within weeks of first being requested and well in advance of any required implementation dates.
B4	Describe your typical service performance levels written into client service agreements. Are you able to work with a client who requires more stringent service level performance guarantees?	A sample of our Service Agreement (reference) is included in the Exhibits section of this proposal. We will work with BERS to ensure all expected services are being met.
B5	Identify your standard and committed response times.	Service calls are answered within 20 seconds during business hours; voicemail or email messages left after hours are returned by the next business day and within 24 hours. Emails received during business hours are generally responded to within two hours or less.
C. DB System and Administration Capability		
C1	Provide the detail of your system capability concerning retirement processing with regard to tracking of participant retirement elections and recordkeeping of plan history concerning salary and service.	Our system can store all salary and service history. Participant retirement elections processing is documented through the Worktrack feature - a tool designed to help plan sponsors coordinate tasks. Documents are stored as PDF files on each participant record.
C2	Provide the detail of your system capability concerning data import and export feeds. Describe your approach and procedures to determine and maintain data integrity.	Data imports can be done through .csv files and can be exported to excel files. Imports can be customized to client specifications. Validation reports and error reports are used to determine and maintain data integrity.
C3	Does your system calculate 415 limitations on all benefit calculations? Does it track and apply 401(a)(17) limitations? How about the 25 highest paid limitation on lump sum payments?	The system calculates 415 limitations and 401(a)(17) limitations on all benefit calculations. The 25 highest paid limitation on lump sum payments does not apply to municipal plans.
C4	Does your system track and calculate minimum required distribution age 70 ½ calculations for participants in pay status? Does the system automatically apply actuarial increases for deferred age 70 ½ payments? Does your system track deferred vested participants approaching age 70 ½ for proactive notification to secure elections and make timely age 70 ½ payments?	Yes, our system tracks and calculates all of these items.
C5	Describe how your system handles suspension of benefits notifications to participants. Does your system handle actuarial increases for suspended benefits for post- NRD payments?	Notifications are tracked and sent as required. The system handles actuarial increases as determined by the Plan.

Questions		Response
C6	Are conversions for optional forms of payment preprogrammed into the system? Are they table driven or calculated on the fly?	Yes, they are programmed dependent on how the Plan handles them and can be either table driven or calculated on the fly.
C7	Does your system allow for production of a valuation data output file? Does your system's benefit calculator allow for production of a group of benefit calculations in batch mode?	Yes, the system allows both.
C8	Is your system database capable of maintaining payroll records for compensation other than plan earnings?	Yes, they system is capable of maintaining payroll records for compensation other than plan earnings.
C9	How does your system handle plans with multiple benefit formulas where participants can be impacted by more than one formula? How does your system handle benefit formulas for certain participants that differ for different periods of benefit service?	Formulas are applied based on indicator and/or dates provided to meet plan specifications.
C10	How does your system determine plan eligibility from the individual participant indicative data? Is there any limit to the number of identifiers that can be used to determine eligibility?	Based on Plan specifics, the system can be coded for age, service, and rounding determinations, and are applied individually. There are no limits to the number of identifiers.
C11	Please describe how your system will merge information and produce all required letters and retirement forms. Are your system's forms in a standard format or can they be customized for client requests? Does the system allow administrators to have access to be able to customize a specific participant's letter? What is your standard protocol for providing Relative Values Notice information to retiring participants? How would your system handle the use of generic Relative Values Notices and if so, how would a request for an individualized Relative Values Notice be handled?	We have standard formats for required letters and we will work with the client to customize as necessary. Data is merged individually from the participant records. We will work with the client on any participant-specific customizations. We provide individualized Relative Value information for all calculations.
C12	Please describe in detail how your system maintains an audit trail. Are all database changes handled through batch mode or can changes be made real-time directly on-line and still have an audit trail?	An audit trail is maintained on both a plan and participant level for all changes within the system. Database changes can be made in both real-time and directly online as well as through batch mode.
C13	Is there a limit as to how many service breaks or leaves of absence per participant that your system can track and accommodate? Can your system track participants who switch from working as an eligible employee to an ineligible employee (and vice versa)? How is all service (eligible and ineligible) tracked for vesting purposes? How is credited service tracked for only periods of eligible service for accrued benefit purposes?	There is no limit to the amount of breaks/leaves. All plan requirements are coded into the system for eligibility, vesting and credited service dependent on participant data elements.
C14	How do you track and handle notice reports for situations like Period Certain benefits expiring, vested terminated participants reaching Normal Retirement Date, active or deferred vested participants reaching their minimum required distribution benefit commencement date, etc.?	Monthly, quarterly, or annual reports are generated to determine notification requirements.
C15	How does the system handle the designation of QDROs in the Database? How are pending DROs identified from final qualified QDROs? How does your system address the addition of a QDRO alternate payee as a participant either as a retiree with immediate payment or as a deferred vested participant? How does your Database system handle a future split QDRO vs. a current split QDRO?	Indicators are set up for participants who have QDROs. The DROs are stored to the participant record and benefit split is set up at final QDRO. Alternate payees are set up as separate records either as immediate or deferred payment. Current split is stored or recalculated annually until receipt of final benefit.
C16	Describe how you will provide the City QDRO qualification and administration services? How will you work directly with the City's legal counsel to approve and/or vet issues on a QDRO?	We would require current QDRO procedures. We can either work directly with the City's legal council at an hourly rate or we can work with the City to obtain legal review.

Questions		Response
C17	What is your systems capability to provide employee self-service access? What modeling of DB plan and any other retirement benefits is accommodated in your system? Is an employee able to access and model his or her own pension benefits on-line through a secure portal? Is there sufficient flexibility to accommodate plan-specific provisions such as Sick Leave conversions?	The system can be customized to provide participant data information, store participant documents and to allow participants to run benefit estimates through a secure online portal. Stored sick leave information would be applied in the benefit estimator.
C18	Does your system benefit calculator generate a pension worksheet illustrating the detail on how the benefit was calculated (provide examples)? Is the same worksheet back-up provided for employee self-service as for your administration services group?	Yes, it generates the detailed benefit calculation with all available options for both.
C19	List the types of early retirement factors your system can handle (i.e. actuarial equivalent, simplified, subsidized early, etc.). Can your system apply different early retirement factors to different eligibility requirements (like benefits accrued before and after a specific date and/or for retirement from different statuses)? How does your system handle the determination of the achievement of special unreduced early retirement provisions (like the "Rule of 85")? Do you have other clients with special early retirement provisions in their plan?	All early retirement factors can be coded and applied as required by the plan. We have other plans with special early retirement provisions such as "Rule of 85", age and service combinations, and unreduced for disability, etc.
C20	Describe how your system can handle the adjustment of the benefit for a rehired participant who previously received a distribution of employee contributions or a lump sum of prior benefits. Is it adjusted systematically or is manual intervention required? Does your system track prior lump sum distributions that have been paid?	The system can handle the adjustment of the benefit for a rehired participant. Depending on the situation, it may be adjusted systematically or manually. Yes, it tracks prior lump sum distributions that have been paid.
C21	What is the extent of your actuarial support, if needed, during day-to-day administration for such things as actuarial equivalent calculations, QDRO split calculations, etc.?	As your current actuary, we are available to assist with these and other actuarial projects as needed.
C22	How does your system handle the determination of eligibility for early retirement, normal retirement, etc.? Is this determined continually from the individual participant indicative data or determined at initial eligibility in the plan and set in the participant's record? How does your system handle different eligibility requirements for early retirement, normal retirement, etc. for different categories of participants? Is there a limit to how many different categories your system can handle?	Eligibilities are determined continually from the individual participant indicative data. Eligibility requirements are programmed based on plan specifics. There are no limits to different categories.
C23	Do you store terminated non-vested participants' plan information in the DB database forever or are these records archived periodically? Is there an additional charge to clients to keep them on the live database?	Terminated non-vested participants' plan information remains in the defined benefit database forever without any additional charge.
C24	Do you send annual statements to terminated vested participants?	Yes, at the request of the client, we can send annual statements to terminated vested participants.
C25	Have standard payment authorization interfaces been built for specific bank/custodial trustees? What processes do you have in place to provide distribution payment check-cutting services for monthly retirement annuity payments?	There are standard payment authorization interfaces for certain bank/custodial trustees. We work with Schwab for providing distribution payment check-cutting services for monthly retirement annuity payments.
C26	How are your assigned staff kept apprised and trained on new law or governmental regulations affecting administration?	Our actuaries participate in continuing education meetings and webinars provided by the Conference of Consulting Actuaries (CCA), American Academy of Actuaries and the Society of Actuaries. To ensure that our staff is up-to-date on current trends, information obtained at these sessions is shared with our actuarial and technical staff through a monthly series of continuing education programs conducted in-house. The firm also adheres to the formal program of annual continuing education requirements that has been implemented by the American Academy of Actuaries and the Joint Board for Enrolled Actuaries.
C27	What is the average length of experience for your DB plan administrators?	On average, our DB plan administrators have 14 years of experience.

Questions		Response
C28	Is the administration staff divided into groups performing specific tasks? (For example, a dedicated group to process and authorize payments to retirees.)	Processing and reviewing tasks are separated. All data inputs are reviewed by a second person before moving to the client for approval and reviewed again before moving into production. All service center analyst are experienced with benefit payment administrative tasks.
C29	Are DB administration staff located physically in the same location or are they virtual and working from many different locations? What will be the location(s) for the team assigned to provide services to the City?	All staff is located at our office located on 65 LaSalle Road, West Hartford, CT.
C30	How do you administer the restoration of accruals for participants who return from military leave? Are such restorations handled manually or systematically?	Accruals would be dependent on the plan and restorations can be handled manually or systematically.
C31	Explain how you administer Suspension of Benefits provisions. How do you administer Suspension of Benefits for retirees who have been rehired and whose retirement benefits must be suspended?	Based on plan specifics, we may stop the benefit payments and send letters to retirees documenting the process. This is established during the transition phase.
C32	How is your system and administration processes set up to handle the impact on participant benefits of any funding-related restrictions imposed by any regulation? Please include discussions about coordination with the actuary for the plan, changes to the system calculation processing, changes to election forms, handling transition situations, and any required notifications to participants.	System programming is developed in conjunction with the actuarial team and updates are made based on plan impact.
C33	Describe how your system or administrators handle service adjustments for rehire and leave of absence situations.	Any adjustments are programmed based on data indicators.
C34	Do you have mobile web access capabilities available for participant use? Is there an extra fee to the client for mobile web access?	Yes, mobile access is available at no additional charge.
C35	Provide examples of annual benefit statements you can produce from your system. Can these statements be customized? Is there an extra cost for customization?	Statements can be customized. For most situations, there is no additional charge. Sample statements can be found in the Exhibits section of this proposal (reference).
C36	Do you provide your clients with information for any client-required reporting purposes?	Any database item can be reported. We will work with you to create reports that meet your needs.
C37	For client requested reporting information, not included with your standard reports offered, are there additional fees required for such ad-hoc requests? What if the reporting need is ongoing on a periodic basis?	Reports can be customized. For many situations, there is no additional charge. We will discuss reporting needs with your during the implementation phase, and work with you to build reports that suit your unique situations.
C38	What audit assistance do you provide to your clients for their internal/external auditors? Please outline your process for assisting your clients' auditors and discuss any standard audit information provided and your typical time commitment to providing such assistance.	We are available to assist auditors as needed. Typically, this would be an item billed on a per-hour basis. Time spent would be dependent on the level of detail requested.
C39	With regard to contributory plans, does your system track employee contributions with and without interest? Does your system apply plan appropriate/statutory interest rates for mandatory contributions? Can your system handle tracking of mandatory and voluntary employee contributions? Can your system apply different interest crediting rates to different contribution accounts and account for multiple accounts under multiple structures in the plan? How often does interest get applied?	Yes, contributions with and without interest may be tracked. Plan specific/mandatory rates are applied. The system can apply different rates to different accounts under multiple scenarios. The interest is applied based on plan specifics.
C40	With regard to contributory plans, does your system calculate non-taxable and taxable portions of the benefit for pension payments? Does it calculate the tax basis on lump sum refunds of employee contributions, where there is a remaining employer benefit?	Yes, taxable/non-taxable portions of the benefit are calculated as well as the remaining employer benefit after a refund of employee contributions, if applicable.
C41	Please furnish your death benefit processing procedures.	After receipt of a death notification, the current benefit is stopped, a request for the return of any overpaid benefit is issued, beneficiaries are identified (if any), and the beneficiary benefit processing would begin.

Questions		Response
C42	How do you handle post retirement flat dollar death benefits? How do you track eligibility for such a death benefit?	Based on plan eligibilities, upon death of a retiree, the payment is processed as applicable.
C43	Does your system allow for multiple beneficiaries for J&S benefit elections? If so, how do you administer these and calculate the J&S option factor?	Yes, based on the youngest age and then split. Calculations would be specific to the plan.
C44	Do you have the capability to accept electronic copies of the City's forms (such as beneficiary designations and completed retirement applications) to keep in your database? Do you keep beneficiary information online?	Yes, we can store electronic records and show beneficiary information online.
C45	What is the expectation of the City's involvement with you in order for you to provide administration services with respect to benefit calculations and estimates?	We would require benefit calculation quality data from the City.
C46	Do you provide an administrative or procedures manual that includes a timeline of critical dates, roles, and responsibilities?	Yes, a detailed transition timeline is provided upon engagement with the client.
C47	Will you customize materials for the City? Is there additional cost for customization?	Yes, we can provide customized materials for the City. For example, all statements, letters and mailings - whether standard or custom-designed by our marketing team - can be personalized with your logo, the plan name and other preferred features. Depending on the nature of the customization, format and distribution channel, there may be a cost associated with requests. Since each project is different, a cost estimate would be provided for your review and approval before any work would begin.
C48	Describe your administrative process for correcting payroll data and performing edit checks on incomplete or missing data. Discuss how such data problems are resolved.	Data is reconciled as agreed upon. We will work with the sponsor for data reconciliation in a similar manner as in the current valuation data process, which included error checking and missing data validations.
C49	Describe your administrative capabilities for mailing termination benefit information packages directly to terminated vested plan participants. Describe in detail your processes and procedures for commencements from terminated vested status upon reaching Normal Retirement Date.	During the transition process, we will develop a plan with the sponsor for the frequency of providing information to terminate vested participants. We check for vested termination within 6 months of NRD biannually.
C50	Do you prepare 1099R Tax Forms and issue tax statements to participants who receive distributions, including forms and tax statements for beneficiary distributions and related filings?	For benefit payments made through the Schwab system, Schwab will prepare and issue 1099R Tax Forms and related information.
C51	Describe the process you use to track and maintain employee beneficiary data. Do you do periodic participant beneficiary solicitations for clients?	We maintain beneficiary information as provided by the plan sponsor. The web portal can be customized to allow online updating of beneficiary information.
C52	Describe in detail how your system handles Federal and State tax reporting. Do you provide tax form preparation and filing? How do your systems support tax reporting for participants who have moved outside of the United States?	For retirees outside the US, Schwab requires WBen8 or W9 forms. Schwab prepares Federal and State tax reporting in batch.
C53	Does your system provide for in-service distributions for participants beyond their required beginning date? Describe how your database supports such in-service distributions.	Yes, our system provides for in-service distributions. Participants with in-service distribution are flagged for appropriate processing.
C54	Please describe how your clients normally provide census data updates (i.e. address changes, employment status changes, new eligible employees)? Can your system capture manually entered census data from multiple locations?	Census data is usually provided through Excel or .csv files that are imported into the database. The portal can be configured to allow manual input of data elements per the individual.
C55	Describe your process for searching for participants who have not cashed their distribution payment checks.	If a check is uncashed after 30 days, we first search our third party death database. If the participant is found to be deceased, we proceed with our death process. We use our third party locator service to review address match and if a new address is found, we send out an address verification letter for return and reissue of the outstanding check. If no death record and address match is found, a letter is sent to the address on record to alert the participant about an uncashed check. If, after 60 days the check is still uncashed, a second notice is sent to the address on record.
C56	Can your system handle COLA pension increases or ad-hoc COLAs for retired participants? How does your system handle the calculation of active retirement results to reflect automatic COLAs?	Yes, the stored benefit payments are updated to reflect any COLA increases. Automatic COLAs are calculated and updated as required for plan sponsor approval prior to payment.

Questions		Response
C57	How do you locate deceased or missing Plan participants? Please describe your procedures including frequency and search databases utilized. Do you verify deceased participants via the Social Security Administration? Do you use third party search offortory for this need. Please provide the frequency with which such searches are performed.	We work with an outside vendor to complete a due diligence search for missing participants. Our standard is to search for any newly identified missing participants monthly, and annually for those not previously found. Death audits of retirees are performed through Schwab based on agreement, but not more frequently than monthly. Death audits for others are performed annually.
C58	Does the system generate popup error warnings and are these standard or can they be customized?	Yes, the system generates popup error warnings. Certain warnings are standard, others may be customized.
C59	Describe your service standards and turnaround time for the completion of the following: Issuance of annual defined benefit Participant Statements; Transaction Confirmation Statements; Hard Copy Plan Level Administrative Reports; Retirement Benefit Calculations/Estimates; Defined Benefit Retirement Packages; QDRO Processing.	During the transition process, we will work with the plan sponsor to develop a plan for determining the due dates for defined benefit participant statements and other reports. Benefit estimates will be generated on-demand through the web portal. Benefit Retirement Packages typically have a 2-3 week turnaround time. QDROs will depend upon the difficulty of the request.
C60	Describe how you will process retirement payment authorizations/instructions with the bank/custodial trustee. Will you perform a monthly payment reconciliation of processed payments/changes?	We will work with the plan sponsor to develop the retirement process steps, including plan sponsor authorization through the web portal. We perform monthly payment reconciliation of processed payments/changes.
D. System Testing		
D1	Describe your testing life cycle for newly developed system functionality before it is released internally to your staff and used for services to clients.	New versions are loaded to a test environment and parallel tested prior to release.
D2	Describe your different testing environments (development, unit test, integration testing, UAT, etc.) and how they are utilized.	We work with separate production and test environments. With this structure, all software changes are first made within the test environment before implementation in production.
D3	Does the client have access to different testing environments?	Currently, clients do not have access to any testing environments.
D4	What are the client requirements for testing and sign-off during the implementation cycle?	Based on the transition timeline, the client is given access and training to test the web portal prior to their approval to go live.
D5	How is configuration or control data managed from environment to environment during testing?	Production data is mirrored in a test environment.
D6	How is employee data managed from environment to environment during testing?	Employee data is mirrored in attest environment.
D7	Please describe a typical testing plan for a new customer going through implementation, including the number of "rounds" considered standard and covered under the quoted fees before the client sign-off. Please provide the typical number of hours commitment required for client staff during implementation.	Thorough testing of the plan is completed prior to client testing. There are not standards for the number of "rounds" a client may go through. Implementation is complete when the client is fully satisfied with the results and is included under quoted fees. Number of hours is dependent on client testing.
E. Regulatory and Compliance Services		
E1	Describe your ability to ensure regulatory compliance for the City of Burlington and how you address any issues that occur.	H&H continuously monitors legislative changes and works with our software vendors to make sure that all calculations are completed in accordance with the latest regulatory requirements. With our 62-years history, there are not situations we have not seen. We will work with clients to listen, provide solutions, and resolve any issues as quickly as possible.
E2	Describe how you monitor §401(a)(9) required minimum distributions including:	See E3-e6 below
E3	Identification of individuals	This is monitored through system generated reports.
E4	Determination of the amount of the minimum required payment	Monitored based on applicable law.
E5	Payment within required deadlines.	Monitored through monthly/quarterly/annual tracking.
E6	Annual updates for those in pay status	This is monitored and tracked annually.
E7	Describe your capabilities and timeframes for monitoring maximum benefit and compensation limits.	These are programmed as part of the benefit calculation.
E8	How do you address violations of compliance with any regulations?	We will work with appropriate City staff to help address any compliance issues.
E9	As part of your service, do you provide an annual benefits file, containing financial and non-financial data by participant?	We provide annual benefit statement files and payee check registers.
E10	Please provide a current SSAE 16 audit of your DB administration services/systems, or any other recent audit you have performed.	Our most recent SOC 1, Type 2 report is included in the Exhibits section of the proposal (reference)

Questions		Response
E11	Please acknowledge and describe in detail your fiduciary responsibility with respect to the City of Burlington's DB Plan.	Section 3(21)(A) of ERISA defines a fiduciary as a person who 1) has any discretionary authority or control over the management of the plan or its assets; 2) renders investment advice for a fee or other compensation, direct or indirect, with respect to the plan's assets or has any authority or responsibility to do so; or 3) has any discretionary responsibility in the administration of the plan. Although public sector pension funds generally are not subject to ERISA, it is helpful to note the above definition of fiduciary when considering this question. Under ERISA, a pension plan administrators and actuaries are not normally fiduciaries. H&H does not have discretionary responsibility over the administration of the plan or its assets (the City is required to provide the final sign-off on all retirement benefit calculations), and therefore, does not accept fiduciary responsibility.
E12	How will you ensure that the Plan administration remains in compliance?	H&H continuously monitors legislative changes and works with our software vendors to make sure that all calculations are completed in accordance with the latest regulatory requirements. With our 62-year history, there are not situations we have not seen. We will work with clients to listen, provide solutions, and resolve any issues as quickly as possible.
E13	How do you ensure that your recordkeeping system is in compliance with all applicable rules and regulations?	Our staff of experienced administrators and actuaries keeps up-to-date on all laws and regulations ensuring that all calculations are completed in accordance with the latest requirements.
E14	How quickly are any such regulatory changes reflected in the system?	Updates to our software are made approximately ten (10) times each year so most changes are made within weeks of first being requested and well in advance of any required implementation dates. Regulatory rates are updated in real time and do not require a software update.
E15	Do you provide a client with plan information needed for any public reporting needs?	We will work with you to understand your needs and provide you with the appropriate information.
E16	What resources do you have to obtain legal opinions, interpretations of laws, regulations, and other matters pertaining to DB plans?	We do not have a legal team on staff. Our consultants would work with your legal team or we are happy to recommend a legal firm upon request.
E17	If the City wanted a detailed review conducted of your DB administration processing over a specific period, would you allow on-site access to the reviewing third-party to interview your staff members who perform the administration?	We would be willing to allow for an audit given adequate advance notice of such request and limited in scope to the existing services being provided to the City. Our existing, external audit performed in support of our annual SOC 1 exam is also available to the City.
F. Annual Plan Audit		
F1	What assistance do you provide to your clients for any conducted audits?	We are available to assist auditors as needed, typically billed on a per hour basis. Time spent would be dependent on the level of detail requested.
F2	Please provide a listing of documentation and reporting that would be included in support of an audit.	Listing of census data, representative benefit calculations and election forms.
F3	Do you offer any performance guarantees with respect to delivering information for such an audit?	We will be responsive to auditor requests and comply with requests that pertain to your defined benefit plan administration. We do not offer a performance guarantee for auditor requests.
G. Systems Capability/Hardware		
G1	Describe the hardware platform and software system you use to administer defined benefit plans.	H&H leases a defined benefit recordkeeping software from PensionSoft, LLC named 'DB Precision.' This system is a Windows-based program, and runs as a local install on PCs. The software uses an on premise Microsoft SQL Server database as the back end data source.
G2	Was the software developed internally, leased, or purchased from another offeror? Who has the ultimate responsibility and authority to make sure the software remains current to laws, regulations, client needs, etc.?	The software is leased from PensionSoft, LLC. PensionSoft releases patches concurrent with updates and changes to laws and regulations to ensure compliance.
G3	How long have you used these systems for defined benefit administration?	Innovation has always been part of our DNA. Before the internet and dating back to 1956 when the firm opened its doors, our actuaries ran calculations and distributed them via the mail, fax and email once it was developed. When others did not, we offered clients and participants a "hot line" to call with questions about their pensions. So although the services were not provided online, our clients have always appreciated the innovation and convenience we bring to the table. H&H was at the forefront of developing an online pension administration system. Our first system was launched in 1995. Since that time, we have met client expectations by continuously examining and refining the way in which we do business. We understand our clients' needs for efficiency, profitability and quality and we will continue to evolve the system – based on client feedback - to ensure it continues to meet rapidly evolving industry and technology changes.
G4	Are the different outsourcing services you offer fully integrated for process and systems connectivity?	Yes, the programs are fully integrated.

Questions		Response
G5	Please provide a diagram of the integration of your systems for administration services.	System integration The diagram below show you how our systems integrate with each other, as well as system users.
G6	Are you planning any major change in the software or hardware supporting your system in the next 24 months? If yes, please describe.	We do not have any major software or hardware changes planned to our administration software or hardware in the next 24 months. However, we are upgrading our service center software to improve participant services to provide an even better experience for our clients' employees.
G7	Describe your documented disaster recovery plan. How often do you test your recovery system?	Hooker & Holcombe adopted a Disaster Recovery/Business Continuity Plan to provide for the firm's recovery in the even of an emergency or disaster and for the resumption of business operations in as short a period of time as possible. The scope of the plan is to limit disruptions to business operations, including any loss of utility service (power, water), connectivity (systems), or catastrophic event (Hooker & Holcombe adopted a Disaster Recovery/Business Continuity Plan to provide for the firm's recovery in the event of an emergency or disaster and for the resumption of business operations in as short a period of time as possible. The scope of the plan is to limit disruptions to business operations, including any loss of utility service (power, water), connectivity (systems), or catastrophic event (weather, natural disaster, vandalism) that causes in interruption in the service provided by H&H operations. The plan undergoes periodic testing. Such tests may be as complex as running a simulation of an actual disaster, including the restoration of data to alternate systems, or as basic as testing the employee call tree. either, natural disaster, vandalism) that causes in interruption in the service provided by H&H operations. The plan undergoes periodic testing. Such tests may be as complex as running a simulation of an actual disaster, including the restoration of data to alternate systems, or as basic as testing the employee call tree.
G8	Where is your main data processing center located? Where is your back-up center located?	Our main data processing center is located at our office in West Hartford, Connecticut. All data is backed up to cloud-based centers located in Pennsylvania and Utah.
G9	Where is your customer service center located? Where is your back-up customer service center?	Our customer service center is located at our office in West Hartford, Connecticut. The backup location is determined based on protocol referenced in our Business Continuity Plan (reference in Exhibit)
G10	Describe your maintenance and back-up procedures including daily back-ups, retention timetable and off-site back-up storage approach.	All back-up procedures are referenced in our Business Continuity Plan located in the Exhibits section of this proposal (reference)
G11	Describe any system outages within the last three years and how have they been handled? Has any liability resulted from these outages and are there any pending claims related to these outages?	We have not experienced any material system outages in the last three years. There has been no liability as a result of the outages, nor any related claims.
G12	Please explain your disaster recovery plans and procedures to handle the following situations: Loss of inbound telecommunications services by the carrier; Individual system failure including the following systems: PBX, IVR, application server, case management system; Loss of power; Loss of daily backup/natural disaster.	Our Plan is in place to minimize disruption to systems and services whenever possible in the event of a disaster. Please see the Timeline of Tasks section beginning on page 4 of the Plan, included in the Exhibits section of this proposal. (reference)
G13	Provide information on how short outages (2 hours or less) vs. prolonged outages (more than 2 hours) would be handled.	Fortunately, we have only experienced very brief, intermittent power outages thus far. Please refer to Appendix A, page 6 of the Plan, included in the Exhibits section of this proposal. (reference)
G14	How often and how is your backup plan tested?	The Business Continuity Plan is tested periodically, at a minimum on an annual basis.
G15	Please describe the most severe disaster that has occurred at your facility and explain the cause, how it was handled, and what steps were taken to prevent future occurrences.	Fortunately, the most severe disaster experienced at our existing facility has been intermittent power outages to the building. Outages have been short in duration and contained with universal power supplies (UPS).
G16	Describe the method of maintaining plan sponsor and participant history on the system.	The system stores both plan sponsor level and participant history for a variety of customized data elements. They are both stored and can be retrieved based on historical dates. In addition, the system logs historical plan sponsor level as well as participant level changes. These data elements are customized and variable dependent on individual plan specifications.

Questions		Response
G17	Describe in detail your procedures and safeguards used to guarantee: Security for your hardware and facility; Authorized access to data; Confidentiality of data; Security for any hard copy of plan-related data or documents.	H&H takes system security very seriously. Please reference the H&H Information Security Standards ("ISS") documentation provided in the Exhibits section of the proposal. (reference)
G18	Are internal controls of your system audited by an independent accounting firm on an annual or more frequent basis? If so, who conducts the audit?	Yes, we are SOC I Type 2 compliant and undergo an annual audit by BerryDunn (Berry Dunn McNeil & Parker, LLC).
G19	How are Participant and/or Plan Sponsor requests for changes made? (e.g., online submission of beneficiary information, etc.)	The portal can be configured for editing of certain data items or requests for changes may be made through the Service Center. Certain data must follow a verification process prior to updating.
H. Technology – Systems, Software, and Database Questions		
H1	Systems - What technologies or functionality separates you from your competition?	We have been in the defined benefit business for over 60 years and have been on the forefront of technology. Our system is user friendly, dynamic and customizable. H&H works closely with all areas to offer the best products to our clients. Calculation output is 100% customizable based on plan complexity, plan sponsor input and overall participant experience. Prior to our current vendor, H&H utilized an in house web-based pension administration system.
H2	Systems - What client browsers, versions, and configurations are and are not supported?	The following browsers are supported by the PensionEdge® Plus website: Microsoft Edge: all versions; Internet Explorer: version 9 or higher; Google Chrome: version 4 or higher; Safari: version 6 or higher; Firefox: version 16 or higher
H3	Software – Have your applications been developed using an object-oriented model? If not, what software engineering approach is used?	Yes, all applications are developed using object-oriented models.
H4	Systems - Are any other applications or services which your system may be dependent on, provided by a third party offeror? If so which and by whom?	The system uses Microsoft SQL Server database software.
H5	Software - Who would be responsible for any customization of the systems and continued maintenance to ensure compatibility with future core application releases?	The software is leased from PensionSoft, LLC, who is responsible for customization of the system and continued maintenance/upgrades.
H6	Systems - What is the capacity for number of simultaneous users for your applications?	There is no limit to the number of users that can simultaneously use our software.
H7	Systems – Do your systems applications exhibit any time zone issues such as clocks being seasonally turned back or ahead? Are data capture timestamps using local (client) time or server location time?	Time stamps are recorded based upon local time.
H8	Software - Does the web application generate dynamic pages?	Yes.
H9	Software - Are cookies utilized? Please describe their usage. (also see Security)	Yes, we use secure cookies to record certain user preferences, setting, and session information. However, these cookies do not contain any confidential information.
H10	Systems - Does the applications provide multi-lingual interfaces?	We plan to incorporate multi-lingual interfaces in 2019.
H11	Systems - Describe any Electronic Data Interchange (EDI) functionality that may be in use.	Information is not transmitted using EDI.
H12	Systems - Describe any batch processes and scheduling capability available for client use.	There are no batch processing capabilities currently available.
H13	Software - What is the software change management process (versioning, dating, etc.)?	New versions of the software are released approximately 10 times per year and as part of each release, our vendor conducts its own testing. After each release, we then separately do our own testing within a test environment before moving a new release to production.
H14	Systems - Describe mechanisms for client system upgrades, if any.	New versions of the software are released approximately 10 times per year and as part of each release, our vendor conducts its own testing. After each release, we then separately do our own testing within a test environment before moving a new release to production.
H15	Systems - Do upgrades require any downtime? If so please explain duration, etc.	There is no downtime needed during upgrades.
H16	Software - What Quality Assurance measures do you have in place?	Our vendor tests all releases using a series of checks and regression testing to ensure consistency and quality. In addition, we separately conduct our own testing to further guarantee the accuracy of all calculations.
H17	Systems - Describe the testing methods and processes used during the development and testing phases.	All testing is done using a series of change-specific testing (testing the various use-cases associate with a particular change), as well as regression testing (comparing previously know values to ensure that no unexpected changes result from a software change).
H18	Systems - How are systems problem reports and resolutions documented?	The system generates a real time internal error log, which is monitored and addressed daily, as well as text based potential outage messages delivered to system administrators as they occur. H&H responds to the problems and works closely with our vendor, if necessary, to resolve issues immediately. System Administrators maintain issue and enhancement logs that are updated to document the date and issue/enhancement, action, priority level, status and resolution.
H19	Systems - Are all application test cases and scripts that are developed for use during your testing phases available for client use and modification to facilitate the City's user acceptance testing?	We do not currently include our clients in the testing process.

Questions		Response
H20	Systems - What processes have been defined for the client business owners to be able to provide input for future functionality?	H&H takes customer feedback seriously and we value client suggestions for enhancement. When we receive a suggestion, we have a process of working with our vendor for both implementing and testing any resulting software changes.
H21	Systems - What kind of system upgrades and expenditures are planned and scheduled for the next 18 months?	The web application which is currently developed using ASP.NET is moving to ASP.NET Core.
H22	Database – Describe the capacity planning guidelines for initial setup and future requirements.	The software's underlying database (SQL Server) is scalable. As our customers' data requirements have grown, we have made and will continue to make any changes to both the software and hardware to ensure that it meets all needs for growth.
H23	Database – What database and version is being used for your application? Please describe any and all that may be used throughout the application	The underlying application uses SQL Server for its database. Supported versions include 2008, 2012, 2014, 2016, and 2017.
H24	Database - Is data updated in real time? Are there any areas where it is not updated in real time?	Yes, all data is updated in real time.
H25	Database - Does your database software package provide full text searching capabilities on the most current (real time) data?	No, searches are not done directly against the database, but rather through a third-party application that has its own search capabilities.
H26	Database - What mechanism is employed for initial conversion activities?	Initial conversion follows a process in which both data and sample calculations are provided to H&H and then loaded in to our system. The pension plan is coded and all provided calculations and data are then tested against system results to ensure consistency.
H27	Database - What access level restrictions apply to the data?	All data is protected using SQL authentication and can only be accessed through third-party software. Within this software, additional restrictions then further limit access to only specific users.
H28	Database - Are stored procedures used, and if so, to what extent and for what functionality?	Yes, stored procedures are used to both retrieve as well as write to the database for maximum efficiency.
H29	Database - Are you familiar with applicable government data protection regulations, and are all governmental data protection regulations being adhered to?	Yes, we are familiar with all applicable government data protection regulations and comply with all governmental data protection regulations.
I. Security		
I1	Policy - Do you have any documented security requirements for your web application?	Our vendor adheres to a series of documented security policies and requirements. However, these are not something that they are willing to share.
I2	System - Are application error messages constructed consistently and without excessive information?	Yes.
I3	System - Does your application prevent the browser from caching sensitive information?	Yes.
I4	System - Are cookies used for authentication within the application?	No.
I5	System - Do cookies contain sensitive information?	No.
I6	System - Do the cookies expire? If so, after how long?	Yes, the expiration varies by the type of information stored but does not last more than 3 months.
I7	System - Are the cookie paths and domain parameters restricted as appropriate for each application?	Yes.
I8	System - Does each application contain its own file for authenticating users (i.e. User ID and password file)?	User authentication information is not stored in a file but rather uses ASP.NET identity.
I9	System - Are all session IDs randomly generated?	Yes.
I10	System - Is the session ID set to a reasonable length to protect against brute force guessing?	Yes
I11	System - Is the session ID perishable?	Yes. The session ID only exists during a portal user's session and expires on logout or after 20 minutes of inactivity.
I12	System - Is the session ID sent over SSL?	Yes.
I13	System - Are concurrent sessions with one session ID prevented?	Yes.
I14	System - Describe how your application supports single sign-on.	SSO is not currently supported.
I15	User Application Administration - Who is responsible for the administration of the User IDs for the application?	User accounts are generated by the system. Password resets may be made by the plan sponsor, administrator or participant.
I16	User Application Administration - Is every user of the application (both end users and administrators) required having his or her own unique ID of which no other person knows the password?	Yes.
I17	User Application Administration - How is the user's identity properly authenticated, when a change in authority or a password is reset?	Security questions must be answered. Two factor authentication can also be required.

Questions		Response
118	User Application Administration - Does the application incorporate a "super user" type of User ID for system administration? If so, what are the privileges associated with that role?	Yes, there are "super users" who are considered administrators of the system. They create User IDs and have access to certain system settings that no other users are allowed to change.
119	User Application Administration - Does the application system prevent the use of generic User IDs or block support for multiple concurrent sessions using a single user? If not, do user administration procedures prevent creation of generic User IDs?	The system does not block multiple sessions for a single user. However, as a matter of policy, we only create one unique ID for each user.
120	User Application Administration - Does your system have permissions that allow certain groups to see and edit only specific data? Who administers these permissions?	Yes, H&H as authorized by the Plan Sponsor.
121	Administration - When short-term access is needed for a powerful resource or authority, can that access be assigned with a time limit or expiration date?	Yes, time limits and expirations dates can be set.
122	Administration - What are your format guidelines for password construction, (e.g. 8 characters, alpha-numeric, etc.)?	Configurable with minimum requirements (8 characters, 4 letters, 1 uppercase, 1 lowercase, 1 numeric, 0 symbols).
123	Administration - Do the application passwords expire after a predetermined period of time (i.e. every 60 days for normal users, every 45 days for "super users") or can they be configured?	No, the applications do not expire after a specific period of time.
124	System - Are all passwords required for system to system communication "changeable" (i.e. no hard-coded passwords)?	Yes.
125	Encryption - What methods are employed to encrypt and protect confidential or sensitive information (passwords, pass phrases, other personal information) as it transits from browser to server and back?	All information is transmitted using an encrypted SSL connection and SHA-256 hash algorithm.
126	Encryption - Does anyone have the capability to decrypt any of the encrypted information that is captured and stored by the application? If so, is the capability restricted to personnel that have a relevant business need to know access and view the data?	There is no way to decrypt any encrypted information. The only way to access stored information is through a third-party application, access to which is limited to certain users.
127	Encryption - Do you utilize a Secure File Transfer Protocol (SFTP) when exchanging information with the client?	When exchanging information directly with our clients, we use a third party product, ZixMail. When information is transmitted through our web portal, this information is transferred securely through an SSL connection.
128	Facility - Please provide information about the security of the facility where the participant data will reside. Comment on the security of key data elements such as SSNs, dates of birth, etc. and the steps maintained within facility and within your administration unit to protect it.	H&H maintains physical security and accountability through the use of locked offices and rooms, visitor registers at the main entrance and server room, and a policy that all visitors must be escorted at all times. H&H requires strong passwords to access our internal network. Passwords must be changed on a regular basis. H&H policy requires that passwords not be shared with anyone. Access to sensitive data is limited to those who need this information to perform their roles. H&H utilizes procedures to ensure the availability of our data which include nightly backups of all data and applications, and offsite storage of critical applications and data. The reliability of backup procedures and media are verified on a frequent basis. H&H ensure data integrity by implementing industry standard firewalls, anti-viruses, and intrusion detection on all servers, desktops and laptops. All computers are patched on a scheduled basis to prevent security issues. IT monitors audit logs and external sources to remain aware of emerging threats. H&H employs InfoShred for paper and media disposal. InfoShred is National Association for Information Destruction (NAID) AAA certified and maintains stringent security practices. InfoShred complies with all requirements of the Health Insurance Portability and Accountability Act of 1996 (HIPAA) the Gramm Leach Bailey Act (GLB) and the Fair and Accurate Credit Transaction Act (FACTA). Media including diskettes, CD's, and computer hard drives are destroyed by shredding and melting. H&H staff audits InfoShred procedures on a regular basis.
129	Audit - Does the application system record all unauthorized or unsuccessful attempts to log on to the system? Can these be viewed by the client?	Yes, however, the number of invalid attempts may not be viewed by our clients. Rather, clients can only see the locked/unlocked status of user accounts.
130	Audit - Does the application lock out User IDs after a predetermined number of invalid logon attempts?	Yes, after 5 invalid login attempts, the account is locked.
131	Audit - Does the application log users off or require re-authentication after a predetermined period of inactivity? If the application does provide automatic timeout functionality, is the timeout period configurable by the client?	Automatic timeouts occur after 20 minutes of inactivity. This is not configurable by the client.

Questions		Response
J. Plan Implementation		
J1	Describe your approach to implementing changes to business processes, systems and applications that may be required by clients.	We are always happy to assist our clients with business process, system or application revisions as permitted by the system or the process. If a change should be needed, we will discuss the change with you and determine what would be required to execute the requested change.
J2	Describe a typical implementation of your administration services (including expected duration).	Since BERS is currently an actuarial client, we have most of your data so limited time, if any, will be spent working with an external vendor to obtain that information. A typical implementation is completed in nine to twelve months. Most of the portal is configured to your specifications. Your implementation team will work with you to configure fields, reports and other portal features ensuring they meet your needs and the needs of your participants. Once the system is programmed, we will fully test it to ensure that it performs to your specifications and conforms to the plan document. To ensure that your participants understand the value of the benefit BERS is providing, we will work with you to develop participant communications. Although the system is easy-to-use and offers online guidance, your staff will receive hands-on portal training. Participants may reference online User Guides to help them navigate the portal and they will also have access to knowledgeable service center representatives equipped to answer their questions, help complete forms, assist with website navigation, and provide support where needed. A timeline providing responsibilities and due dates is provided with this question in the proposal.
J3	Describe your standard implementation team structure.	One of the elements of our success is providing our clients with exceptional service. As a current client, your service team will not change. You will continue to work with Steve Lemanski, FSA, FCA, MAAA, practice leader and consulting actuary. Steve will be supported by Cathleen Falconer, pension administration team leader. Rob Lessard, ASA, ACA, MAAA, pension team leader and Laura Hanson, actuarial specialist. Both Cathy and Laura have been an integral part of our pension outsourcing program since its inception. Additionally, your service team will be fully involved with the implementation process to ensure that all aspects of setting up your outsourcing portal are seamless. Your transition team will be led by Cathleen Falconer who will continue to serve on your ongoing service team once the transition is complete. Cathleen will be supported by Robin Lane, a 20-year veteran who has a wealth of knowledge and experience. Both Cathleen and Robin will be supported by additional staff required to complete the transition as scheduled. Bios for those individuals named above are provided in the Exhibits section of this proposal. (reference)
J4	What is the extent of your actuarial support if it is needed during implementation of DB plans for such things as actuarial equivalent calculations, etc.?	We are always available to assist our clients with special requests or ad hoc projects. Such projects are based on hourly rates which are provided in the separate cost proposal. Before beginning special or ad hoc projects, we would provide you with an estimate of anticipated project costs based on the project scope. Work would begin as soon as the estimate is approved.
J5	Describe the resources and expected time commitment that the City will need to provide for implementation.	A typical transition can take from nine to twelve months to complete. A representative from the City would be required to attend weekly meetings to determine system set-up, fields, access rights, etc. to ensure the portal meets your specific specifications. A timeline outlining specific tasks that would need to be completed before the system goes "live" is provided in the proposal. Because each municipality is different, we will work with you and your staff to identify achievable dates for each task of the implementation process. Our goal is to make the implementation process as simple and efficient as possible, for both the plan sponsor and the participants.
J6	What techniques are used to ensure that data integrity and data quality are a part of the implementation plan?	As a current actuarial client, we already have your plan data and you are already familiar with our secure data transfer procedures. During the implementation meeting, we will discuss methods for collecting any incomplete or additional data needed. For example, clients that utilize PensionEdge® Plus, either for an online benefit calculation or as part of an outsourcing solution, often provide payroll feeds for active data rather than completing a full data request. As a result, we will tailor the data request to meet your needs. We will send that data request in advance of the valuation date. Data can be transferred to us by email using the H&H Secure Message Center to ensure the security of information. After the data is received, we will review it for reasonableness and reconcile it with the prior valuation. We take quality control very seriously. Our firm is organized into three service units with firm-wide quality control and unit scheduling procedures. We use an internal WorkTrack system to manage workflow, ensuring that all work is properly reviewed and all deadlines are met. Additionally, our firm has successfully completed the SSAE-16 examination, ensuring trust and confidence in our service delivery processes and controls.
J7	Give examples of recent transitions by the team that will be assigned, providing at least one situation that included significant "Lessons Learned".	Although we have been providing online pension administration services for more than a decade, technology is rapidly changing and quickly evolving the service as it gains momentum in the marketplace. We are constantly improving the system and feel that "lessons learned" help us to provide a better product for our clients and an enhanced experience for their participants. We knew from the beginning that involving clients in the development and beta-testing of the system was imperative to ensuring that the features would be beneficial to them and their participants. That philosophy continues today, and we regularly gain client feedback and use that information to enhance the system. Robin's answer - we have learned to ask more probing questions up front regarding a client's current payment administration and documentation such as whether current state tax forms are on file, are appropriate tax filing forms completed for foreign address participants, are payments split among multiple delivery directives, etc..
K. Historical Data Capture and Cleaning		
K1	Describe your typical implementation and your migration process.	Since BERS is currently an actuarial client, we have most of your data so limited time, if any, will be spent working with an external vendor to obtain that information. A typical implementation is completed in nine to twelve months. Most of the portal is configured to your specifications. Your implementation team will work with you to configure fields, reports and other portal features ensuring they meet your needs and the needs of your participants. Once the system is programmed, we will fully test it to ensure that it performs to your specifications and conforms to the plan document. To ensure that your participants understand the value of the benefit BERS is providing, we will work with you to develop participant communications. Although the system is easy-to-use and offers online guidance, your staff will receive hands-on portal training. Participants may reference online User Guides to help them navigate the portal and they will also have access to knowledgeable service center representatives equipped to answer their questions, help complete forms, assist with website navigation, and provide support where needed. A timeline providing responsibilities and due dates is provided with this question in the proposal.
K2	Do you have data capture and cleaning tools that you would utilize and have available to support the City in capturing the data for this project? If so, describe your data "cleaning" tools and your data "capture" tools.	We store all our participant data in a relational SQL database that is used for both valuation data and in assisting the City in administrative matters (including performing and reviewing benefit calculations, preparing benefit statements, storing participant and plan sponsor documents, and preparing "buy-back calculations"). When data is loaded, it is validated to make sure it is reasonable and consistent. This process often raises questions that we immediately discuss with the City to resolve.
K3	Describe your typical approach to capturing and cleaning historical data.	We store all our participant data in a relational SQL database that is used for both valuation data and in assisting the City in administrative matters (including performing and reviewing benefit calculations, preparing benefit statements, storing participant and plan sponsor documents, and preparing "buy-back calculations"). When data is loaded, it is validated to make sure it is reasonable and consistent. This process often raises questions that we immediately discuss with the City to resolve.

Questions		Response
K4	What role will the City be required to play in the collection of historical data? Will you work directly with the City's current DB administration outsourcing offeror to facilitate the data transfer process?	Since we are your current actuary, you are already familiar with the ease of our data transfer process. We will work directly with your current defined benefit administration team to facilitate an efficient collection and transfer of historical data.
K5	If it is necessary for you to become involved, please provide separate pricing for your firm to be involved in the capture and cleaning of the City's historical data.	We are always available to assist our clients with special requests or ad hoc projects. Such projects are based on hourly rates provide in the cost proposal. Before beginning special or ad hoc projects, we would provide you with an estimate of anticipated project costs based on the project scope. Work would begin as soon as the estimate is approved.
K6	What are the City's options in "going live" with your outsourcing solution if a data capture/cleaning project is needed and is not complete?	Although we do not recommend this process, BERS would need to authorize the use of estimated data until scrubbed data becomes available.
L. Customer Service Center		
L1	Where are your customer service center(s) located? Where are your back-up customer service center(s) located? Please indicate the location and back-up location that would service the City's participants. Does the client have any choice in which customer service center services their participants?	We do not have multiple offices and layers of management, which enables us to keep our prices competitive. All of our services are delivered from our office located in West Hartford, Connecticut. Should the facility be closed due to inclement weather or other unplanned circumstances, service center employees have the ability to securely work from any location with an internet connection, ensuring they can deliver continuity of service for our clients and their employees.
L2	What are the standard hours of operation of your customer service center(s)? Is this flexible if the City requests different hours?	Staffed with highly-skilled and knowledgeable professionals, the service center provides live assistance to participants Monday – Friday from 8:30 am to 4:30 pm ET. Voice mail and email are also available 24/7 for participants' convenience. All calls and emails received after regular hours of operation are returned by the following business day. Because most of our clients are in the Northeast region of the country, we have not found it necessary to extend service center hours.
L3	What is your turnover rate for customer service representatives?	The turnover rate for our customer service representatives is very low. One employee has left the firm; two other employees advanced to other roles within the company.
L4	What are your educational requirements for your customer service representatives (CSRs)? Focus on call center skills, use of call center equipment, benefit training, HR training, customer service, problem resolution, and other operator training areas.	Our service center representatives require the following: • Minimum of Associates degree • ASPPA DB-Administration Certificate (DB-A) required • May have FINRA exams and licensing, but not required • Extensive training on call center technical tools (i.e. navigation and use of all data bases, use of payor vendor sites, phone system, Excel, Word, PensionEdge web portal) • Service center best practice policies and protocol practiced daily with changes and updates clearly communicated and documented • Specialized training for individual client plan provisions and processes • Service center analyst given all the tools needed for independent problem resolution, but easy access to additional support from the SC and AS teams to assist with resolution • New service center analysts spend eight weeks in training, learning all aspects of support services center tools, client specific details. They also have two weeks of training in a side-by-side environment with call mentoring before taking live calls. Our highly-trained and experienced representatives have access to the tools they need to quickly and accurately provide participants with the answer they seek. Multilingual services, for nearly 100 languages, are available through an ISO 17100 certified translation service to assist non-English speaking participants. Our service center analysts conduct the call, from start to finish, together with the caller and the translator.
L5	What languages are your CSRs capable of handling?	
L6	Is your systems solution fully integrated with the customer service function? What workflow tools do you have in place for escalation of calls and routing of process? Are your clients able to access your workflow tools to see the current status of a request?	We are currently working on implementing a new workflow system that will better enable us to assign and update a start-to-completion status to each email inquiry so we may monitor pipeline work and work flow. The new workflow system will also allow us to automatically populate the service center "cockpit" or viewing screen with pertinent participant information pulled from the operating systems. There are no plans to allow client access to that workflow process. However, clients have access to the WorkTrack tool on the portal to monitor progress for individual benefits.
L7	Please provide statistics concerning typical customer service levels for your clients – average wait time, frequency of abandoned calls, average call length, average volume on standard and peak periods, etc.	Based on YTD as of 12/11/2018 Average wait time - target is to answer call within 20 seconds, average is 9 seconds Frequency of abandoned calls - on average 4 abandoned calls per month with an average abandoned time of 1 minute 35 seconds Average call length - 5 minutes 26 seconds Based on October 2018 calls: Average call volume during peak periods - peak call hour tends to be early afternoon each day Monday through Friday, with peak call volume during that hour being 10 to 13 calls. Daily total call volume averages 45 to 55 calls.
L8	Describe your training process to bring on a new CSR for a client's plan. How long before a new representative will commence dealing with "live" calls? Are clients involved in testing new CSRs?	New service center analysts spend approximately eight weeks learning all aspects of Service Center tools and client specific details, including side-by-side call mentoring, before taking live calls. To date, clients have not requested to be included in testing of our service center representatives. We are open to the concept should a client wish to be involved in the process.
L9	How do you monitor and maintain quality standards on customer service calls?	All participant calls with service center analysts are recorded and routinely reviewed, at random, to ensure best practices and expected protocol is being followed. The Service Center Supervisor is in the service center on-call during operating hours to observe and support incoming calls. For unique client circumstances, such as a lump sum window offering, the service center analysts are provided with scripted responses to anticipated caller questions.
L10	How do you increase CSR staffing for peak periods?	All service center analysts are cross-trained to resend to participant inquiries from all clients. Peak calling periods are identified and appropriately staffed to continually maintain our customer service levels. Additional service center coverage is arranged for special projects with anticipated increased call volume.
L11	Do you have different levels within the customer service function for call escalation? Under what circumstances is a call referred to a plan administrator outside of the customer service center?	All inquiries requiring escalation are referred to the Support Services Supervisor for communications and resolution. If any inquiry remains unresolved to the satisfaction of the participant and the Supervisor, the client Consultant is made aware of the situation for review and resolution. All participant communications are documented via recorded calls and/or written communications that are stored to the participant record. All service center analysts are promptly briefed on escalated situations to ensure appropriate sensitivity is exercised.

Questions		Response
L12	Are all calls recorded? Are all callbacks by customer service representatives and plan administrators recorded? What is the accessibility of these recordings by the client and how long are they retained?	All incoming and outgoing calls with service center analysts are conducted on recorded lines. If a call should ever need review outside of routine service center quality control practices, a client may request access to a specific individual's call recording file. Call recording files are retained for three years.
L13	Are client assigned staff dedicated to a specific client or do they work on multiple client assignments? How are your staff supported and phone coverage maintained for periods of vacation, FMLA, disability, etc.?	All service center analysts are cross-trained to respond to participant inquiries from all clients. They utilize detailed plan specific guides to appropriately respond to questions involving unique plan provisions and processes. Additionally, each client is assigned a primary service center analyst who is responsible for the daily administration of benefit payments, monthly payment reconciliation, and follow-up on non-routine processing items. A service center analyst may have multiple client assignments with responsibilities balanced to enable consistent high quality output. Cross-trained service center analysts allows for flexibility and continuity to cover planned vacations, as well as unplanned coverage needs.
L14	Will the City have a dedicated toll free 800 phone number for the City's participants to use?	No, we utilize one toll free 800 phone number for our service center callers. Our service center team is crossed trained to service all of our outsource clients. Current volume for a single client, at this time, does not warrant the need for a dedicated 800 number and staff. All current outsource clients use our standard call menu.
M. Automated Voice Response System (VRS)		
M1	Please provide a phone number and instructions on how to access a demonstration of your automated VRS capabilities available to DB participants.	As explained under A-1.5 Exceptions, H&H does not offer a VRS for its defined benefit clients. VRS systems were very popular before the internet surge. Because the system is online, participants can render unlimited retirement scenarios, change their PIN, request a forms package, and much more from any location that has an internet connection. Those who may be technology-shy or prefer to speak with a person also have access to live representatives Monday-Friday from 8:30 am – 4:30 pm ET. Voice mail and email are also available 24/7 for participants' convenience, and calls and email messages are responded to within one business day.
M2	Describe the services available through your automated VRS.	See M1
M3	Do you have a back-up center for the VRS? If yes, where is it located, and is it in continuous operation?	See M1
M4	Describe the PIN management process including timing of assigning new PIN at the initial conversion and upon new plan enrollment.	See M1
M5	At what point in the call can a participant elect to move from the VRS to an operator?	See M1
M6	What DB transactions can be processed through the voice response system (i.e., PIN changes, address changes, etc.)?	See M1
M7	Is the VRS fully capable of generating all the necessary administrative forms to handle retirement requests, beneficiary change requests, etc.?	See M1
M8	Do any VRS transactions generate written confirmations? Can Participants request confirmation statements be e-mailed to them?	See M1
M9	Does your VRS capture and retain information regarding the confirmation of a participant request?	See M1
M10	In a situation whereby a participant calls the VRS but does not properly provide the needed information to complete the needed transaction, do you retain a record that such a call was placed but not executed?	See M1
M11	How quickly is the VRS updated after changes are performed?	See M1
M12	Can both active participants and retired participants perform change requests through the VRS? Can you provide a feedback report back to the City to update their records for such changes?	See M1
M13	Does your VRS accommodate non-English speaking participants? Please describe the accommodations.	See M1
M14	Does the VRS accommodate hearing/speech impaired participants? Please describe the accommodations.	See M1
M15	Describe how data is secured within the system (i.e., PIN, audit trail, changes, confirmations).	See M1
M16	Describe the security through which a participant passes to use your voice response system (e.g., recorded lines, personal identification numbers, and confirmation notices).	See M1
M17	Describe any security breaches that resulted in improper access through your VRS within the last three years.	See M1
N. Reporting and Participant Communications		

Questions		Response
N1	Describe the standard reporting package that you would provide the City (provide samples).	Standard reports include: Address Listing; Age 55+ report (as of date). Since the portal is fully customized, your implementation team will work with you to create reports specific to your needs. Basically, any database item can be used to generate a report.
N2	Will the City be able to generate these reports and other reports on-line?	Yes, the system has a robust reporting feature. In addition to standard reports, your implementation and service team will work with you to customize reports that suit your specific needs.
N3	What is the standard timeframe for providing each plan sponsor report after the reporting period ends?	Reporting periods vary depending on client need. Reports are typically provided within two weeks. Quarterly exception reports that identify any unresolved data issues are also provided.
N4	What types of demographic participant data will you be able to provide?	The system is fully customizable. Basically any database item can be captured, manipulated and reported out. Your implementation team will work with you during the transition phase to determine the most efficient way to present you with the data points you seek.
N5	Describe your flexibility to produce ad-hoc plan level reports.	The system is fully customizable. In addition to standard reports, we will work with you to customize reports that suit your specific needs.
N6	Describe your standard participant statements and documents (provide samples).	We provide participants with an easy-to-understand statement, both in electronic and hard copy formats. We also have a variety of participant communication materials, as well as online system User Guides for both plan sponsors and participants. User Guides are provided online in the portal demo site: hhconsultants.com/BERS . Statements and other communication examples can be found in the Exhibits section of the proposal (reference).
N7	Describe your customization capabilities for branding participant statements.	Standard statements can be branded with your logo and customized with messages for your participants. We also work with clients to produce custom-designed statements configured around their unique needs.
N8	Do you have the flexibility to include a section for customized messages from the City on participant statements?	Yes, standard statements currently have a dedicated area for customized messaging. We produce custom-designed statements for some of our clients that range from simple one-sided, single page statements to booklet-style statements. Samples are provided in the Exhibits section of this proposal.
N9	Can you include other printed information, prepared by the City, with the mailing of statements to participants? If so, please verify that this service is available at no additional cost.	We have the ability to include other printed materials provided by the City with participant statements. The expense for this service is passed along to our clients at cost. Pricing is based on size, quantity and weight of the inserted items. We will obtain a price quote and secure your approval before any work begins.
N10	Can statements be provided to participants on an on-demand basis?	Annual statements are stored on the participant record within the system, making it available to the participant at their convenience.
N11	Briefly describe your background and experience in providing communication and education programs.	H&H has been providing communication services for municipalities since we opened our doors in 1956. Our vast experience enables us to provide communication materials that are clear, concise and easy for participants to understand. The materials we provide are not sales-focused. Rather, they are designed to help participants take charge of their retirement now, so they are prepared for tomorrow. We also have a full-time dedicated retirement education specialist who can deliver on-site, in-person group and one-on-one education sessions, as well as live and taped webinars. We are in the process of updating the Knowledge Center on our website to add additional resources such as videos, additional calculators and other learning materials that benefit participants. We believe that it's never too late to stop learning about one's retirement options and are dedicated to helping participants and plan sponsors continuously enhance their knowledge base.
N12	How long have you been providing communication services to the public sector?	H&H has been providing communication services for municipalities since we opened our doors in 1956. Our vast experience enables us to provide communication materials that are clear, concise and easy for participants to understand. The materials we provide are not sales-focused. Rather, they are designed to help participants take charge of their retirement now, so they are prepared for tomorrow.
N13	Describe separately your initial and on-going communication and education program (including printed material, visits, training, etc.). If the program is tailored to a specific plan sponsor need, identify the critical issues to be determined in designing such a program.	Initial communication is outlined in a welcome letter that contains the web address of our pension portal which has all the information a participant would need to begin their pension administration experience from new entrant to benefit commencement and payment. H&H offers plan sponsors on site or web based training depending on their level of need. Our goal is to help your participants better understand the value of their pension plan. Programs can be personalized to fit a plan sponsor's needs. Any additional formal communication and/or education training can be discussed and tailored based on plan sponsor need and offered for an additional cost.
N14	Provide samples of initial and on-going communication and education materials.	Sample communication and education materials are provided in the Exhibits section of this proposal (reference each one)
N15	Identify the key elements provided as part of a standard communication and education program package.	Initial communication is outlined in a welcome letter that contains the web address of our pension portal which has all the information a participant would need to begin their pension administration experience from new entrant to benefit commencement and payment. H&H offers plan sponsors on site or web based training depending on their level of need. Our goal is to help your participants better understand the value of their pension plan. Programs can be personalized to fit a plan sponsor's needs. Any additional formal communication and/or education training can be discussed and tailored based on plan sponsor need and offered for an additional cost.
N16	Will you provide participants with onsite, group education and retirement planning sessions or pre-retirement seminars on an on-going basis? (Yes/No). If yes, please list the titles of the subjects that are covered in your program. No description necessary.	Yes, we can provide participants with onsite group education and retirement planning sessions through our pension consultants and/or investment advisory group, depending on the topic. The cost of onsite group training is provided in the cost proposal. Your relationship manager can help you structure an education program that meets the needs of your participants and committee. We offer a variety of webinars/seminars including: Understanding your pension statement; Planning today for a better tomorrow; Retirement planning for early, mid- and late-career employees; Heading toward retirement; Social security: what you need to know before you collect; investing basics and your 401(k); Saving for college; Saving for a home; Estate planning. We also offer executive and fiduciary management webinars and seminars, including: Downturns and recoveries; global investing; How to read a mutual fund performance report, long-term investment performance; risk & volatility, and more. Materials to promote educational sessions with your employees include posters, flyers, payroll stuffers and email messages are also offered to gain maximum exposure for educational events. Additionally, all participants will have access to the Knowledge Center, which is housed on our website (hhconsultants.com). The Knowledge Center provides plan sponsors and their participants with access to a compilation of articles, brochures, newsletters and educational materials designed to help your participants understand all aspects of investing and saving. We are currently updating the site to divide information into sections specifically for participants and plan sponsors, making the site easier to navigate. The new site will have a variety of videos that provide information quickly and easily. Additionally, our easy-to-use online calculator can help participants when making important choices about how to best use their money to achieve financial goals. Our goal is to provide our clients with robust, informative tools that are not sales focused. Instead, we choose to focus our materials on ensuring that our clients and their participants better understand the steps they need to take to prepare for retirement.
N17	Do you offer video or web-based educational programs to participants and retirees? (Yes/No). If yes, please list the classes/courses currently available. No description necessary.	Yes, all seminars can be offered via webinar and some are offered via video.

Questions		Response
N18	Do you provide information to Plan participants regarding options on distributions? Describe any services or programs you provide for participants leaving the Plans.	Optional forms of distribution are provided in the retirement benefit election forms package sent to plan participants. Service Center representatives are available to answer participant's questions regarding form completion.
N19	When was the content and look of your standard materials last modified?	The firm was rebranded in 2014 and all materials were reviewed and updated at that time. However, just as the industry is constantly changing, we are constantly reviewing and updating materials to ensure they continue to provide current and relevant information.
N20	Do you create all of your communication and education materials in-house or through third parties? If so, fully disclose.	H&H is proud to have an in-house marketing team and a full-time education specialist who work together to produce various materials focused on financial wellness, retirement trends, legislative updates and other issues affecting the industry. All actuarial communication materials such as statements, participant letters, newsletters and client updates are created via in-house experts. Depending upon the nature of the project, we may turn to external printing, fulfillment or mailing partners. Our website also has the Knowledge Center , which was developed in 2014 to provide useful information for plan participants and sponsors. We are continuously adding new content, and are currently rebuilding the site so it has separate vaults for both sponsors and participants, helping them more easily find the information they seek. Much of the material was developed by in-house experts; some of it was collaborated on with industry partners such as Schwab and Advisent. As we move into 2019, the Knowledge Center will be enhanced with additional videos, calculators, and other online tools that will help participants gain the knowledge they need to better plan for their retirement.
N21	Describe the City's role in the communication and education process.	We will work with the City to determine what educational needs are required and develop any participant related communications.
N22	To what extent can the City customize communication and education materials (e.g., plan name, logos)? Please state if there would be additional charges for customizing or editing these communication materials.	Yes, we can customize all communication materials such as letters, envelopes and statements with the BERS logo, plan name, fonts, etc. We are able to provide clients with customized educational materials. This typically includes the client logo, plan name and/or contact information if desired. We would provide material to the plan sponsor as a PDF which can then be uploaded to the client's intranet. There would be no charge for the customization of communication materials created in-house; the cost of printing, fulfillment and mailing would be passed through to the client at cost. Customization of education materials would be charged using our standard hourly rates. Before beginning special or ad hoc projects, we would provide you with an estimate of anticipated project costs based on the project scope. Work would begin as soon as the estimate is approved. Our 2018 hourly rates are provided in the cost proposal.
N23	Are you willing to provide customized surveys to assess the success of the education program? (Yes/No).	Yes, we currently offer this to clients. We also offer a participant pre-education survey to gauge participant interest in certain topics, making sure that our clients are providing their participants with topics of interest to them.
N24	How do you propose staffing for employee education seminars? Please provide your rationale for determining the appropriate staffing for the Plan.	Staffing would depend upon the number of sessions, and whether they would be concurrent or not. We will discuss educational sessions logistics with you during the implementation phase.
N25	What is your annual cost associated for each dedicated service representative?	Service Center staff are not dedicated to one client.
N26	How many field service representatives are you assigning to the Plan? Will they be 100% full-time dedicated representatives? Where will they be located for the City?	We do not have multiple offices which enables us to keep our pricing competitive. Your service team will be located in West Hartford, Connecticut.
N27	Will you need to hire any additional staff in order to service the City's account?	No, we are fully staffed to manage your pension plans and provide responsive services for your participants. As your current actuary, we already know your plans and operational procedures. This means no learning curve or waiting for others to get "up to speed."
N28	Briefly describe the credentials and related experience of any local service representatives who will be assigned to the City.	All services are provided for our office in West Hartford, Connecticut. Your service team will be led by a practice leader, credentialed actuary and owner of the firm. He will be supported by a credentialed actuary, the pension administration team lead and a full team of actuarial experts who are knowledgeable and experienced with serving municipal accounts. Your team will be responsive to your needs and provide you and your participants with expert advice. You will be a priority in our service pipeline.
N29	How many other plans' accounts will the City's assigned representatives be responsible for?	On average, each team member services approximately 23 client accounts. The total number of account relationships for the actuarial services team servicing this account is 48. The average number of clients for each service center team member servicing this account is 10, with a total of 50.
N30	Will the representatives assigned to the City's Plan be employees of your firm?	Yes, due to possible security breaches we do not outsource any of our actuarial work. All representatives assigned to your team are full-time employees of H&H, and will be dedicated to providing you with exceptional service.
O. Participant Internet Services		
O1	Provide an Internet address and instructions on how to access a demonstration of your Internet capabilities for both the participant and plan sponsor.	Accessing PensionEdge® is fast and easy. Once you are a client, you and your participants can visit www.pensionedge.com and choose the DB PensionEdge® PLUS login links. For your convenience, we have set up a landing page that provides you with logons strictly for BERS use. You can also share the URL below with others in your organization who may be part of the demo process. URL: www.hhconsultants.com/BERS . Please use the following logons to access the system: Plan Sponsor User ID: SpD1235 Password: DemoClient / Plan Participant User ID: DoJ2346 Password: ztpenv The portal is user friendly and easy to navigate. Once you have entered the site, click on the "home" icon to display the portal menu and use the "?" icons to help you navigate the site.
O2	Describe in detail your Internet capabilities. What types of web-based Internet services do you provide to Plan participants?	Technology is also an important component in delivering quality service to our clients. Offering a high level of customization and configurable security, with no hardware or software to purchase, Pension Outsourcing and PensionEdge® Plus are cost effective choices for municipalities seeking efficiency. Pension Outsourcing is driven by PensionEdge® Plus, a game changing solution for defined benefit plan administration. This web-based portal, based on years of experience and client feedback, offers both plan sponsors and participants a comprehensive tool for viewing, managing and storing all plan related information. In addition to the many features provided to plan sponsors, our pension outsourcing program also puts pension information at participants' fingertips. Self-service benefit projections, password resets, uploading personal documents, retrieval of documents such as Benefit Statements and Plan Summary, and other administrative duties previously routed through your HR department can now be completed by participants online, quickly and easily. Participants can also request a final benefit package through the system.
O3	Please specify participant transactions available.	Based on access rights agreed to with the plan sponsor, participants can view and upload documents; perform unlimited benefit estimates; view and edit data personal data; initiate request for retirement election package and reset their password – all without contacting your HR department.
O4	Please specify any transactions that cannot be completed via your Internet site.	Since the system is fully configurable, restrictions will be determined by the plan sponsor during the implementation phase.
O5	Can a participant add/change beneficiary information online?	Yes, participants can quickly and easily add/update beneficiary information online based upon the access rights agreed to with the plan sponsor.
O6	Can the Plan Sponsor manage sick leave conversions online?	Dependent on how the data elements are used in the calculation, sick leave conversions may be editable online. Your implementation team will discuss this option with you during the implementation phase.

Questions		Response
O7	What communication materials or tools do you offer the Plan participant via the Internet?	Participants have direct access to the pension outsourcing User Guides which are housed on the PensionEdge portal. Additionally, all participants will have access to the Knowledge Center , which is housed on our website. The Knowledge Center provides plan sponsors and their participants with access to a variety of learning tools including the Library - a compilation of articles, brochures, newsletters, calculators and educational materials designed to help your participants understand all aspects of investing and saving; The Classroom – your consultant can help you structure an education program that meets the needs of your participants. We offer a variety of webinars/seminars including participant learning and executive/fiduciary management classes. These classes can help your participants understand the value of the benefit BERS is providing to them. Materials to promote educational sessions with your employees include posters, flyers, payroll stuffers and email messages are also offered to gain maximum exposure for educational events. The cost for educational sessions is provided in the cost proposal.
O8	How are participant-initiated transactions processed through the Internet? Are confirmations sent? Are they available immediately?	Benefit election forms packages are requested through the PensionEdge® Plus portal. Confirmation emails are sent to both the assigned administrator(s) and the plan participant. The standard turnaround time is 2-3 weeks from receipt of the request to delivery of a completed package. Participants may request other data changes via phone, email, mail or fax sent to the service center.
O9	Can participants e-mail account specific questions via the Internet site? If yes, who receives the e-mail, researches the issue, and responds? What is the turnaround time?	Yes, participants can click on a “contact me” button which automatically generates an email to our service center. The email is researched and responded to by a service center representative within one business day.
O10	Do you track Internet site hits? If yes, describe what is tracked and the standard reports the City will receive.	Yes, we track participant logon information, how many calculations were run, what document were viewed/uploaded and Worktrack updates. Logs can show any changes made through the portal and plan sponsors can filter the logs in various ways. Since many of our clients prefer to build reports specific to their needs, we do not yet offer standard website reports.
O11	Describe the security through which a participant passes to use your Internet system. What firewalls do you have in place for your Internet services?	H&H implements both personal desktop firewalls and a corporate firewall. Virus protection from multiple vendors is used on servers and desktop computers. Servers and desktops are patched on a regular and frequent basis to prevent security issues. IT staff monitors audit logs and external sources to remain aware of emerging threats. System security provides maximum protection for all users: designed specifically to minimize data breach risks; Calculators and data are pushed to the end user; all data is encrypted; Portal access rights are determined by the plan sponsors; Data changes are logged, providing an audit trail.
O12	What improvements to your Internet capabilities are designated to occur in the next two to three years?	The web application which is currently developed using ASP.NET is moving to ASP.NET Core. Multilingual interfaces will be added in 2019
O13	Are the VRS, Internet, and Customer Service Center’s workstation all linked to the same recordkeeping database?	Yes, our customer service workstations and pension administration website are linked to the same recordkeeping database.
O14	Describe any online capabilities that your system provides for plan sponsor access.	Our web-based portal, based on years of experience and client feedback, offers both plan sponsors and participants a comprehensive tool for viewing, managing and storing all plan related information. Through the portal, you can coordinate plan administration activities across a number of departments and locations, while simultaneously providing your employees with instant access to their benefit information. PensionEdge® Plus features configurable data access, paperless documents, real-time reports, online newsfeed and communications, Worktrack – an online workflow coordinator, SaaS and SSL encryption and no hardware or software to purchase or maintain. The site allows plan sponsors to grant participants and HR staff varying levels of access and security to perform various benefit-related tasks online, such as performing benefit projections and “what if” scenarios, complete real-time pension benefit calculations and projections, view plan correspondence and statements and view/edit selected pension data. Most features of the PensionEdge® Plus portal can be customized to meet the specific needs of each plan sponsor. Our team of conversion experts will work with you to customize the portal to meet your participants’ needs.
O15	Does your website include the ability for the participant to load other retirement income in order to run multiple retirement projection scenarios?	Our standard system does not permit this function. However, we can develop a “retirement illustrator” add-on to the system. There is an additional cost for this service and the price depends upon the level of sophistication required by your participants. We can discuss this option during the implementation phase and obtain a price quote for your review/approval before any works begins.
O16	Does your website include the capability to add/change beneficiary information?	Yes, plan participants can add and change beneficiary information at any time based upon the access rights agreed to with the plan sponsor.
P. Employer Education		
P1	Describe all training you can make available to the City’s benefits, HR, and payroll staff regarding general defined benefits topics.	Our consultants and actuarial specialist are fully equipped to provide training on defined benefit topics. As a pension administration client, training for your staff on how to use the system, submit data/payroll, and the Worktrack feature are included in the price quote contained in this proposal. We also offer one-day on-site training or webinars on a variety of topics that change to keep pace with the industry. Sample topics include: Public Sector Pension Plans 101; Understanding PBGC and how it applies to your plan; Pension in Payroll; Understanding long-term investment performance; Understanding deferred annuities; The plan termination process - when will you be ready? Sessions cost are provided in the cost proposal.
P2	Do you provide education services for the City with respect to Fiduciary responsibilities and regulatory updates? Are there annual conferences?	Yes, our investment advisory group offers on-site seminars and internet-based webinars on a variety of topics designed to help plan sponsors and committees better understand their fiduciary responsibilities. Sessions are taught by highly-experienced consultants and/or our education specialist depending on content. Although we do not have an annual conference, we do have one-day sessions with clients and centers of influence from time-to-time to discuss industry trends and issues.
P3	Do you provide ongoing training and support regarding the transmission and receipt of contribution/payroll files?	The need to protect the exchange of confidential information via email is a priority. All email that contains confidential information will be exchanged using the Hooker & Holcombe Secure Message Center . The Message Center should also be used by clients to send secure messages and files to H&H. We will work with you to set up procedures for transmitting data and schedule ongoing training as needed. Data files may also be uploaded securely through the web portal.
P4	Do you provide ongoing training and support regarding features of the plan sponsor website?	Yes, when major upgrades are made to the site we will communicate the change to the plan sponsor and also make arrangements for on-site or website training as needed.
P5	Do you update the plan sponsor about plan compliance with current and future regulatory requirements including any participant notifications?	Yes, H&H is very proactive when it comes to keeping our clients informed about compliance and regulatory requirements, including plan participant notifications. In addition to annual COLA notifications, emails are sent to clients and vendors when regulations or legislative changes are announced.
P6	Do you provide training and support in providing documentation for the annual plan audit?	Yes, we will provide training and documentation support for the annual plan audit.
P7	Do you provide training and support regarding Employee Benefits Communications?	Yes. With more than 62 years of pension experience under our belt, we have the expertise needed to help you and your team develop and produce employee benefit communications. We also have an in-house marketing department that can assist with copywriting, design and print/digital execution.

Questions		Response
P8	Do you provide a full summary of processes and procedures that you utilize with respect to defined benefit administration?	We are currently working on our general best practice policy document and it should be complete in early 2019.
Q. Fees/Contract		
Q1	It is expected that a contract with milestones (contract signing, testing, implementation, etc.) is implemented with clients. Have you entered into this type of arrangement in the past?	Yes, the contract will have milestones such as contract signing, testing and implementation, for example. This is our standard practice for all clients.
Q2	When do ongoing administration fees start?	Ongoing plan administration fees begin once testing is complete and the portal goes "live."
Q3	Does the fee you quoted include any contingency to pay for any future regulatory or plan changes that will require system changes? If so, what kinds of changes would be included in the quoted fees? If not, please provide the estimated cost of such types of required changes to the systems and/or administration processes.	Changes to the system that are planned by H&H are not charged to the client. These would include regulatory enhancement as required. Plan changes or other system change requests made by a specific client would be charged to the client at the hourly rates in effect at that time. Because each plan is different, we do not offer a "one size fits all" pricing structure. We would take into consideration the plan size at the time of the quote, estimated service center usage based on a plan's usage history, etc. A client would be provided with a detailed fee quotes, and work would not begin until the quote is approved by the client.
Q4	What is the standard length of time that you contract your services?	A typical contract ranges from 3-5 years.
Q5	Please provide a copy of your standard contract including your standard performance guarantees.	Please see the Exhibits section of this proposal for a copy of our standard contract (reference). Our performance guarantee follows: <i>We stand behind our work and pledge to deliver exceptional quality and unmatched expertise. We offer a performance guarantee based on a mutually agreeable delivery schedule. If we do not meet the delivery dates, the client can discount the fees based on the estimated loss in value.</i> Although we have never experienced a data breach, we provide clients with a cyber-security policy giving them assurance that participants are protected: <i>In the event of a breach, Hooker & Holcombe will reimburse our client for reasonable and direct costs incurred for providing written notice to participants, and, especially if SSNs are involved, H&H will reimburse our client the cost to provide up to one year of credit monitoring, both of which when and to the extent required by law. These costs are not subject to the limits of liability set forth in the engagement letter.</i>
Q6	Do you quote DB administration outsourcing fees on a per participant fee or flat fee basis? Please indicate the reason why you quote on a specific basis, if any.	Fees are based on both a flat fee and a per participant fee, depending on the service provided. Please see separate Cost Proposal for fees.
R. City Requirements		
R1	Identify all requirements and responsibilities of the City and the City team to ensure successful implementation. Please include time and activities that will be required.	A typical transition can take from nine to twelve months to complete. However, we have found that the timeline is on the lower-end of the spectrum for those clients who provide clean data. A representative from the City would be required to attend weekly meetings to determine system set-up, fields, access rights, etc. to ensure the portal meetings your specific specifications. A detailed timeline outlining specific tasks (reference) for both BERS and the City is provided in the Exhibits section of this proposal. Because each municipality is different, we will work with you and your staff to identify achievable dates for each task of the implementation process. Our goal is to make the implementation process as simple and efficient as possible, for both the plan sponsor and their participants.
R2	What are the ongoing responsibilities of the City and City team? Identify what ongoing support will be required by the City team to ensure all of the needs of members are met. Please include time and activities that will be required.	The City has the fiduciary responsibility as Plan Sponsor. Ongoing data updates, authorization of benefit payments would be requested on an ongoing basis.
R3	Please provide a detailed implementation plan that clearly identified the City's deliverables and responsibilities.	A detailed timeline outlining specific deliverables and responsibilities for both the City and H&H is provided in the Exhibits section (reference) of this proposal.



Burlington Employees' Retirement System (BERS)

Service Proposal for Defined Benefit Plan Administration

Federal Tax ID Number: 06-0854693

Closing date/time for submission of proposals: Dec. 21, 2018, 3:00pm

Signature: Steve Lemanski

BURLINGTON EMPLOYEES' RETIREMENT SYSTEM (BERS)

Service Proposal for Defined Benefit Plan Administration

	1 Id IDENTIFY	
		2 Ac ACHIEVE
	3 Ex EXCEED	

Submitted by:
Steve Lemanski, FSA, FCA, MAAA
OPEB Practice Leader, Consulting Actuary
Actuarial Services Group

Hooker & Holcombe
65 LaSalle Rd., West Hartford, CT 06107
860.521.8400

hhconsultants.com

TAB A. TABLE OF CONTENTS

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PROPOSAL LETTER	Tab B
PART A. OFFEROR INFORMATION	Tab C
PART B. OFFEROR RESPONSE TO PROJECT SCOPE	Tab D
PART C. COST INFORMATION	Tab E
ADDITIONAL INFORMATION	Tab F
CONCLUDING STATEMENT	Tab G

EXHIBITS

- H. Appendix A
- I. Sample Communications
- J. Sample Statements
- K. Sample Reports
- L. Sample Service Agreement
- M. SOC 1, Type 2 Exam
- N. Business Continuity Plan
- O. Sample Information Security Standards
- P. Sample Client Timeline
- Q. Team Bios

TAB B. PROPOSAL LETTER

December 19, 2018

Mr. Rich Goodwin
Director, Financial Operations
149 Church Street, 2nd Floor
Burlington, VT 05401

RE: Proposal for Defined Benefit Plan Administration

Hooker & Holcombe (H&H) appreciates the opportunity to present a response to this Request for Proposal for comprehensive pension administration to the City of Burlington. As your current actuary, we believe that our firm offers the expertise and services the City seeks for its pension plan administration needs. We are excited about the possibility of expanding our relationship and fully understand the scope of work requested.

H&H has been assisting municipalities with their pension needs since 1956. During that time, we have seen the industry evolve from manual processes to robust databases and online services. Our depth of knowledge about your pension plans, combined with a full suite of online administration services and an experienced service center, will elevate the way you and your participants view your pension plans. We are confident that we can deliver an efficient, cost-effective and timely solution to meet all of your needs.

We value our current relationship with the City and hope to earn your pension administration business. Most importantly, we are well-positioned to continue helping you identify possibilities, achieve goals and possibly exceed your pension plan expectations.

I look forward to discussing our response with you and appreciate your consideration for this important engagement. Please do not hesitate to contact me with any questions.

Yours truly,

A handwritten signature in black ink, appearing to read "Steven Lemanski", is positioned to the left of a vertical line.

Steven Lemanski, FSA, FCA, MAAA
OPEB Practice Leader, Consulting Actuary
SLemanski@hhconsultants.com

Enclosures

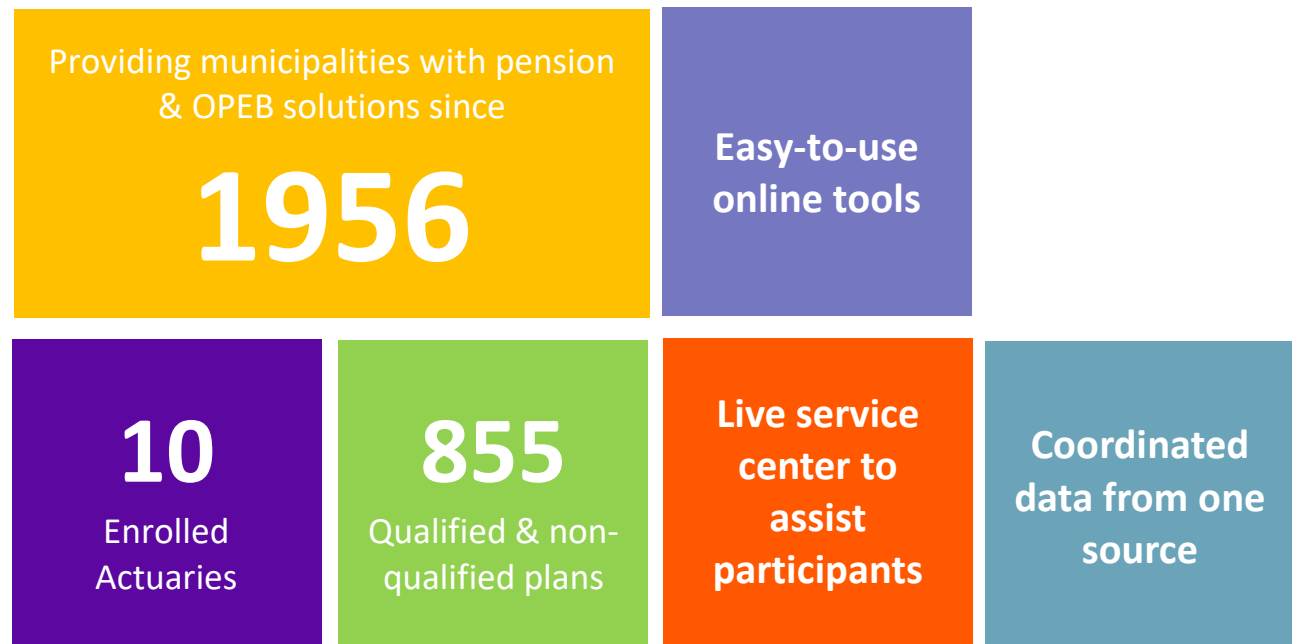


THE ELEMENTS OF SUCCESS

Since our inception in 1956, we have been providing actuarial and consulting expertise to the public and private sectors.

As a current actuarial client, you already know our firm, its capabilities and your team – and we already know your plan. Our goal is to continue to help you *identify* opportunities and challenges, *achieve* goals and *exceed* expectations.

We value our existing relationship and look forward to continuing to deliver exceptional service and expert advice, further proving that Hooker & Holcombe is the right choice for the Burlington Employees' Retirement System (BERS).



EXECUTIVE SUMMARY

Hooker & Holcombe (H&H) is pleased to provide this proposal for pension administration services. We believe our firm will deliver the expertise, services and modern approach the City is seeking to administer its pension plan.

We understand your needs. The Burlington Employees' Retirement System (BERS) has been administering its pension plan in-house.

BERS seeks further efficiency and convenience for its staff and its plan participants via an online pension administration portal, staffed service center and automated benefit payment system. The solution must also provide for periodic lump sum distributions, tax withholding and reporting, and benefit calculations and estimates.

Our solution. H&H will introduce a comprehensive outsourcing program designed to bring an end-to-end online solution to both plan sponsors and plan participants.

Our Pension Outsourcing program was designed to simplify plan administration for busy plan sponsors just like you. The program combines the ease and efficiency of online tools while providing live help through knowledgeable service center representatives. During non-business hours, participants can leave a voice mail or send an email, and all inquiries are responded to with one business day.

The program is powered by PensionEdge® Plus, a fully customizable, paperless portal that uses secure technology to enable the viewing, updating, and processing of participant transactions from one source. Using this system, staff will no longer have to manually generate estimates and final calculations or make administrative updates in-house; your participants can do it themselves quickly and easily from any computer that has an internet connection. Retirees may not make changes within the system, but they have full access to service center representatives, voice mail and email, and their changes will be updated promptly. Because the system is customizable, you select the access level for your staff and your participants, giving you complete control over what they can do and see online.

The system provides dynamic reporting, configurable data access, real-time benefit calculations, online communications, forms/document printing and storage, and a Worktrack feature that works as an online assistant to help you and your staff keep track of tasks – all without having to purchase additional hardware or software.

We will also provide training for the plan sponsor and staff, and stand ready to assist with employee communications and required mailings.

Participants of this easy-to-use system will be able to access help through online User Guides or by calling our service center. Together, these resources will ease the burden of managing your pension plan while providing maximum convenience for your participants.

Benefit payments will be made from the Schwab system. For more than 40 years, Charles Schwab Bank has been a financial leader in the retirement marketplace. The combination of Charles Schwab Bank technology and Hooker & Holcombe expertise results in a comprehensive, client-focused solution for all of your benefit payment administration needs.

Charles Schwab Bank services would include:

- Custody of assets
- Asset valuation of accessible funds
- Monthly plan account asset statements
- Monthly benefit payment reporting
- Monthly death audit
- Tax withholding and reporting
- Plan sponsor online benefit payment inquiry

In closing. It has been our pleasure to partner with the City of Burlington as your current actuary. You can rest assured that we will remain committed to offering you an exceptional blend of knowledge, value and the deep expertise needed to provide innovation solutions today, and tomorrow. We look forward to expanding our current relationship with you and to sharing more about how our pension outsourcing capabilities will benefit the Burlington Employees' Retirement System (BERS).

TAB C. A. OFFEROR INFORMATION

PART A: OFFEROR INFORMATION

A-1 General Information

A-1.1 Offeror Certifications and Affirmations

Hooker & Holcombe
65 LaSalle Road
West Hartford, Connecticut 06107
Tel. 860-521-8400
Fax 860.521.3742
Federal ID: 06-0854693

Hooker and Holcombe is a regional privately-held corporation with clients primarily located in the Northeast. All work is performed from our office in West Hartford, Connecticut.

The proposal was prepared by the following individuals:

- Steve Lemanski, FSA, FCA, MAAA, OPEB practice leader and consulting actuary
- Cathleen Falconer, actuarial specialist
- Laura Hanson, actuarial specialist
- Robin Lane, supervisor, support services

Steven Lemanski, FSA, FCA, MAAA, will be the team lead and primary contact for this account. His email is slemanski@hhconsultants.com and his direct dial phone number is 860.856.2073.

We confirm all seven of the listed certifications to be negative.

A-1.2 Statement of Understanding

We fully understand the scope of work outlined in this proposal and will complete the following services as requested below:

Scope of Defined Benefit Administration Services:

A. Online Pension services only

- Provide an Interactive and informational website for plan administrators and participants
- Provide ability for plan participants to estimate and project retirement benefits
- Provide electronic personalized annual statements of all active plan participants based on salary and employment data provided by plan sponsor
- Provide access to plan sponsor documents (document summaries, labor agreements, etc.)
- Maintain forms and administrative documents used by plan sponsor contacts

- Create custom automated special exports for plan sponsor use
- Accumulate, reconcile and maintain a comprehensive participant database for actives/terminated vested/retirees; includes maintaining data updates
- Mail completed forms to Plan Sponsor or ability for Plan Sponsor to generate online
- Interface with the City's retirement administrator and staff
- Implementation
 - Initial programming of all plan provisions and testing representative sample participants
 - Provide necessary training to plan sponsors and education tools for plan sponsors and participants

B. In-person Pension Administration services through a live service center

- Provide the services listed under the Online platform (A), as well as:
- Service Center to support participants through phone, mail, and email contact 24/7
- Interactions with participants to process benefit calculations and set up payment including:
 - Mail completed forms to participant
 - Answer participant questions
 - Audit submitted forms
 - Correspond with participant until forms are complete and accurate
- Provide estimates and projections of retirement benefits
- Prepare required documentation of requests for authorization by the retirement system board
- Process all applications for retirement benefits
- Initiate new retiree benefit payment with Custodian
- Respond to participant questions via email or phone
- Annual mailing to terminated vested participants prior to reaching normal retirement
- Annual mailing of suspension of benefits notices to active participants attaining normal retirement age (if applicable)
- QDRO processing
- Work with custodian to:
 - Reissue uncashed checks

- Request return of over-payments
- Coordinate changes to retiree information when power of attorney involved
- Assist in the set-up of surviving spouse accounts upon death of retiree
- Pension income verifications
- Locate missing participants
- Retiree register monthly audit

A-1.3 Deliverables

The following deliverables will be met:

- Complete access to PensionEdge Plus® interactive and informational website
- Full benefit administration services
- Service Center assistance for all participants
- Custodian services

Please see the cost proposal for a detailed listing of all services.

A-1.4 Assumptions

We have read and fully understand this RFP. Please see the cost proposal for certain assumptions (i.e. - estimated Service Center hours).

A-1.5 Exceptions

We have read and fully understand this proposal, amendments and question and answer section provided during the bidding process. We have two exceptions:

1. H&H does not offer a VRS for its defined benefit clients. VRS systems were very popular before the internet surge. Because the system is online, participants can render unlimited retirement scenarios, change their PIN, request a forms package, and much more from any location that has an internet connection. Those who may be technology-shy or prefer to speak with a live person also have access to knowledgeable representatives Monday-Friday from 8:30 am – 4:30 pm ET. Voice mail and email are also available 24/7 for participants' convenience, and calls and email messages are responded to within one business day.
2. As of this proposal date, we have 19 public sector clients using our pension outsourcing services.

A-2.0 Offeror's Qualifications

Hooker & Holcombe has the expertise needed to deliver high quality online pension administration services to BERS of Burlington, VT. We have been assisting municipalities with their pension needs since 1956. During that time, we have seen the industry evolve from manual processes to robust databases and online services. Our depth of knowledge about your pension plans, combined with a full suite of online administration services and an experienced service center, will elevate the way you and your participants view your pension plans. We are confident that we can deliver an efficient, cost-effective and timely solution to meet all of your needs.

A-2.1 Offeror Background

Hooker & Holcombe is one of the oldest and largest privately-held regional actuarial, investment and retirement consulting firms in the Northeast. The firm, which is incorporated in the State of Connecticut, was founded in 1956 as a pension and actuarial firm. As our clients' needs grew, the firm grew with them. Today, we offer an array of investment and retirement plan administration services through two subsidiaries:

- **Hooker & Holcombe Investment Advisors, Inc.**, was founded in 1996 and provides institutional investment advisory strategies and participant education;
- **Hooker & Holcombe Retirement Services, Inc.**, was founded in 1980 and provides defined contribution plan consulting and recordkeeping services to plan sponsors and their participants.

The firm operates under the brand name Hooker & Holcombe, and employs approximately 64 dedicated and highly-experienced employees, including four administrative assistants. All services are performed at our West Hartford office by those employees assigned to your team. Because we take client privacy and the protection of their data seriously, we do not outsource any work to external contractors.

Over the past five years, we have employed an average of 63 employees. All employees are full-time status and we do not have any contracted employees.

We have built our reputation on being responsive to our clients' needs and we do everything possible to assist our clients in ensuring that their plan operates according to the City's specifications. Our commitment to the pension marketplace is evidenced by our significant investment in Pension Outsourcing, a comprehensive online tool designed to provide instant access to pension data for both the plan sponsor and the participant. Our vision is to help organizations remove the time-consuming aspects of managing a pension program so their employees can focus on other tasks.

The following depicts the firm's broad capabilities. Our unique infrastructure allows us to provide our clients with a comprehensive array of retirement planning services under one roof, allowing for significant economies of scale.



Our firm handles approximately 855 non-qualified and qualified plans distributed as follows:

▪ Defined Benefit Plans (including cash balance)	374
▪ Post Retirement Welfare Plans	331
▪ 401(k), 403(b), 401(a), 457 Plans	150

A representative client list follows:

Municipal Clients		
Town of Bethany, CT	City of Hartford, CT	Regional School District #13, CT
Town of Bloomfield, CT	City of Meriden, CT	Regional School District #14, CT
Town of Bolton, CT	City of Middletown, CT	Regional School District #15, CT
Town of Branford, CT	City of Milford, CT	RHAM (Regional Hebron, Andover, Marlborough), CT
Town of Brooklyn, CT	City of Nashua, NH,	Town of Ridgefield, CT
City of Burlington Employee Retirement System (BERS), VT	City of New Haven, CT	Second Taxing District Norwalk, CT
Town of Canton, CT	City of New London, CT	Town of Somers, CT
Capitol Region Education Council, CT	City of Newport, RI	Town of Southington, CT
Charles County Bd of Ed, MD	City of Norwalk, CT	Sprague Board of Education, CT
Town of Clinton, CT	Orange County Community College Association, NY	Town of Stafford, CT
Town of Colchester, CT	Town of Killingly, CT	City of Stamford, CT
Town of Columbia, CT	Town of Killingworth, CT	Town of Stonington, CT
Town of Coventry, CT	Town of Litchfield, CT	Town of Suffield, CT
Town of Cromwell, CT	Town of Mansfield, CT	Third Taxing District Norwalk, CT
CT Water Service, CT	Town of New Canaan, CT	Town of Thompson, CT
City of Danbury, CT	Town of New Hartford, CT	City of Torrington, CT
City of Derby, CT	Town of Newtown, CT	Town of Monroe, CT
Town of Durham, CT	Town of Plainfield, CT	Town of Wallingford, CT
Town of East Hartford, CT	Town of Plainville, CT	City of Waterbury, CT
Town of East Lyme, CT	Town of Putnam, CT	Town of Waterford, CT
Town of Eastford, CT	City of Groton, CT	Town of West Hartford, CT
Town of Easton, CT	Town of Groton, CT	Town of Weston, CT
Town of Enfield, CT	Lebanon Public Schools, CT	Town of Wilton, CT
Town of Essex, CT	Lisbon School District, CT	Town of Winchester, CT
Town of Fairfield, CT	New Shoreham School Department (Block Island Schools), RI	Town of Windham, CT
Town of Greenfield, MA	Questar III, NY	Town of Windsor Locks, CT
Borough of Naugatuck, CT	Town of Redding, CT	Town of Woodbridge, CT

A-2.2 Relevant Project Experience

Below are 5 clients of similar size, for which we provide similar pension administration services that you may contact for references:

Burlington Employees Retirement System		
Pension Outsourcing Services – Offeror Client Reference		
Reference #: 1	Offeror Name: Hooker & Holcombe	Project Name: Kaman
Client: Kaman	Client Address: 1332 Blue Hills Avenue, Bloomfield, CT 06002	
Type of Organization: Corporation		
Client Phone: 860.243.7368		
Contact Name: Theresa O’Callaghan	Contact Address: 1332 Blue Hills Avenue, Bloomfield, CT 06002	
Contact Title: Executive Director, Benefit Programs & Corporate Human		
Contact Phone: 860.243.7368	Contact Email Address: Theresa.ocallaghan@kaman.co	
Service Start Date: Before 1980	Service End Date: On going	
Project Summary, scope, approach, deliverables provided, resources applied): Full outsourcing and actuarial services		
Similarity to BERS Project: Full outsourcing and actuarial services		
List all offeror staff members proposed to BERS who also supported the referenced client:		
Staff Member Name:	Proposed Role for BERS:	Role on Referenced Client:
Cathleen Falconer	Outsourcing Coordinator	Outsourcing Coordinator
Robin Lane	Supervisor, Support Services	Supervisor, Support Services

Burlington Employees Retirement System		
Pension Outsourcing Services – Offeror Client Reference		
Reference #: 2	Offeror Name: Hooker & Holcombe	Project Name: Connecticut Children’s Medical Center
Client: Connecticut Children’s Medical Center	Client Address:	10 Columbus Boulevard Hartford, CT 06103
Type of Organization:	Hospital	
Client Phone: 860.837.6103		
Contact Name: Richard DiCiccio	Contact Address:	10 Columbus Boulevard Hartford, CT 06103
Contact Title: Benefits Manager		
Contact Phone: 860.837.6103	Contact Email Address: rdiccio@connecticutchildrens.org	
Service Start Date: 2013	Service End Date:	On going
Project Summary, scope, approach, deliverables provided, resources applied): Full outsourcing and actuarial services		
Similarity to BERS Project: Full outsourcing and actuarial services		
List all offeror staff members proposed to BERS who also supported the referenced client:		
Staff Member Name:	Proposed Role for BERS:	Role on Referenced Client:
Cathleen Falconer	Outsourcing Coordinator	Outsourcing Coordinator
Robin Lane	Supervisor, Support Services	Supervisor, Support Services

Burlington Employees Retirement System Pension Outsourcing Services – Offeror Client Reference								
Reference #: 3	Offeror Name: Hooker & Holcombe	Project Name: Webster Bank						
Client: Webster Bank	Client Address: 145 Bank Street, Waterbury, CT 06702							
Type of Organization: Financial Services								
Client Phone: 203.578.2297								
Contact Name: Carla LaPrade	Contact Address: 145 Bank Street, Waterbury, CT 06702							
Contact Title: VP, Employee Benefits								
Contact Phone: 203.578.2297	Contact Email Address: claprade@websterbank.com							
Service Start Date: 1997 Service End Date: Ongoing								
Project Summary, scope, approach, deliverables provided, resources applied): Full actuarial services for qualified and nonqualified defined benefit plans as well as for OPEB benefit plan, Compliance testing for DC plans, Full outsourcing, including participant access to Service Center, special projects such as lump sum windows, plan revisions, consultation on retirement plan issues, including keeping Committee up to date on issues.								
Similarity to BERS Project: Full outsourcing, including participant access to Service Center								
List all offeror staff members proposed to BERS who also supported the referenced client: <table border="1"> <thead> <tr> <th>Staff Member Name:</th> <th>Proposed Role for BERS:</th> <th>Role on Referenced Client:</th> </tr> </thead> <tbody> <tr> <td>Robin Lane</td> <td>Supervisor, Support Services</td> <td>Supervisor, Support Services</td> </tr> </tbody> </table>			Staff Member Name:	Proposed Role for BERS:	Role on Referenced Client:	Robin Lane	Supervisor, Support Services	Supervisor, Support Services
Staff Member Name:	Proposed Role for BERS:	Role on Referenced Client:						
Robin Lane	Supervisor, Support Services	Supervisor, Support Services						

Burlington Employees Retirement System Pension Outsourcing Services – Offeror Client Reference								
Reference #: 4	Offeror Name: Hooker & Holcombe	Project Name: City of Groton, CT Premier Plus Pension Administration, Actuarial and OPEB Work						
Client: City of Groton	Client Address: 295 Meridian Street Groton, CT 06340							
Type of Organization: Municipality								
Client Phone: 860.446.4114								
Contact Name: Ronald Yuhas	Contact Address: 295 Meridian Street Groton, CT 06340							
Contact Title: Finance Director								
Contact Phone 860.638.4880	Contact Email Address: yuhasr@cityofgroton-ct.gov							
Service Start Date: 2015 Service End Date: Ongoing								
Project Summary, scope, approach, deliverables provided, resources applied): Provide City with an interactive and informational website for plan administrators and participants such that the plan administrator can update date elements to complete final retirement benefit calculations for multiple divisions with varying eligibilities and formulas, plan participant can estimate and project retirement benefits, personalized annual statements are stored to the participants records, plan level documents are stored for sponsor access.								
Similarity to BERS Project: The project is similar in that all BERS deliverables were completed for the City and it is a municipal pension plan with multiple groups and varying eligibilities and formulas.								
List all offeror staff members proposed to BERS who also supported the referenced client: <table border="1"> <thead> <tr> <th>Staff Member Name:</th> <th>Proposed Role for BERS:</th> <th>Role on Referenced Client:</th> </tr> </thead> <tbody> <tr> <td>Cathleen Falconer</td> <td>Outsourcing Coordinator</td> <td>Outsourcing Coordinator/Principal Pension Analyst</td> </tr> </tbody> </table>			Staff Member Name:	Proposed Role for BERS:	Role on Referenced Client:	Cathleen Falconer	Outsourcing Coordinator	Outsourcing Coordinator/Principal Pension Analyst
Staff Member Name:	Proposed Role for BERS:	Role on Referenced Client:						
Cathleen Falconer	Outsourcing Coordinator	Outsourcing Coordinator/Principal Pension Analyst						

Burlington Employees Retirement System Pension Outsourcing Services – Offeror Client Reference								
Reference #: 5	Offeror Name: Hooker & Holcombe	Project Name: Charles County Board of Education						
Client: Charles County Board of Ed	Client Address: Jesse L. Starkey Building PO Box 2770 La Plata, MD 20646							
Type of Organization: Municipality								
Client Phone: 301.934.7459								
Contact Name: Christeda Warner	Contact Address: Jesse L. Starkey Building PO Box 2770 La Plata, MD 20646							
Contact Title: Benefits Manager								
Contact Phone: 301.934.7459	Contact Email Address:	cwarner@ccboe.com						
Service Start Date: 2003 Service End Date: Ongoing								
Project Summary, scope, approach, deliverables provided, resources applied: Access to PensionEdge portal. Ability to run online calculations and enter certain data items. Services provided: annual benefit statements (mailed to client and posted to portal for Plan Sponsor/Participant access), annual valuation reports, and annual funding letters, annual COLA increase, annual GASB 67/68 report, benefit calculations on request, annual review meeting.								
Similarity to BERS Project:								
List all offeror staff members proposed to BERS who also supported the referenced client: <table border="1"> <thead> <tr> <th>Staff Member Name:</th> <th>Proposed Role for BERS:</th> <th>Role on Referenced Client:</th> </tr> </thead> <tbody> <tr> <td>Robert Lessard</td> <td>Principal Pension Analyst</td> <td>Principal Pension Analyst</td> </tr> </tbody> </table>			Staff Member Name:	Proposed Role for BERS:	Role on Referenced Client:	Robert Lessard	Principal Pension Analyst	Principal Pension Analyst
Staff Member Name:	Proposed Role for BERS:	Role on Referenced Client:						
Robert Lessard	Principal Pension Analyst	Principal Pension Analyst						

A-2.2.2 Presentations

We affirm that Hooker & Holcombe will provide oral presentations at BERS' offices, as requested.

A-2.3 Financial Information

Hooker & Holcombe is a privately-held corporation, and thus does not produce an annual audited corporate financial statement. Over the past two years, approximately 70% of the firm's revenue has been derived from actuarial consulting services and special projects.

Hooker & Holcombe is not now, nor has it ever been, investigated or litigated by any federal, state government or agency. We have not experienced any claims or settlements that we paid or were paid by our insurers. The same holds true for its consultants.

Our firm does not and has not provided any compensation for references provided.

A-2.4 Offeror Staffing

One of the elements of our success is providing our clients with exceptional service. As a current client, your service team will not change. You will continue to work with **Steve Lemanski, FSA, FCA, MAAA**, OPEB practice leader and consulting actuary. Steve will be supported by **Cathleen Falconer**, an actuarial specialist who has been an integral part of our pension outsourcing program, and **Robert Lessard** and **Laura Hanson**, actuarial specialists.

Additionally, a dedicated transition team will be provided to ensure that all aspects of setting up your outsourcing portal are seamless. Your transition team will be led by Cathleen Falconer who will serve on your ongoing service team once the transition is complete. Cathleen will be supported by **Robin Lane**, supervisor, Support Services Center, a 25-year veteran at our firm who has a wealth of knowledge and experience. Both Cathleen and Robin will be supported by additional staff required to complete the transition as scheduled.

We confirm that these team members will be available to be assigned to this account should H&H be awarded this contract. Should any member of the team outlined in this proposal be unavailable beyond our control, we will submit replacement documentation for BERS approval/rejection at the time of the assignment as well as at any time during the 90 days after the replacement work begins.

Team bios are provided in the Exhibits section of this proposal.

You and your staff are encouraged to contact any of your team members to answer your questions and assist with your plan needs. We work very closely with our clients and know that good communication is the framework for building lasting and mutually-beneficial relationships.

Most of the principals of the firm are credentialed actuaries, known as “consultants.” Our consultants, and the analysts and technical specialists who support them, are highly trained and hold the following designations:

Fellow of the Society of Actuaries	4
Fellow of the Conference of Consulting Actuaries	3
Associate of the Society of Actuaries	4
Enrolled Actuary	10

All of our consulting actuaries are Members of the American Academy of Actuaries and Enrolled Actuaries. Additionally, one or more of them are members of the following organizations:

- Society of Actuaries
- Conference of Consulting Actuaries, including the Public Plans Community
- American Society of Pension Professionals & Actuaries
- CT Government Finance Officers Association
- New England States Government Finance Officers Association
- ConnPELRA (Connecticut Public Employer Labor Relations Association)
- Connecticut Public Pension Forum (CPPF)

Our actuaries participate in continuing education meetings and webinars provided by the Conference of Consulting Actuaries (CCA), American Academy of Actuaries and the Society of Actuaries. To ensure that our staff is up-to-date on current trends, information obtained at these sessions is shared with our actuarial and technical staff through a monthly series of continuing education programs conducted in-house. The firm also adheres to the formal program of annual continuing education requirements that has been implemented by the American Academy of Actuaries and the Joint Board for Enrolled Actuaries.

TAB D. B.OFFEROR RESPONSE TO PROJECT SCOPE

PART B: OFFEROR RESPONSE TO PROJECT SCOPE

Hooker & Holcombe (H&H) has the expertise needed to deliver high quality online pension administration services for the Burlington Employees' Retirement System. We understand the scope of services as outlined below:

- Processing of monthly benefit payments, lump sum distributions, and all tax reporting associated with both functions. Payments are made via electronic direct deposit or mailed paper check.
- Processing of premium deductions for health insurance.
- Review of quarterly death audit to determine if any retirees receiving pension benefits have been reported as deceased, thus allowing for timely termination of payments and prevention of overpayment.
- Online account reporting and transaction tracking for both individual participants and for internal business purposes.
- Processing of COLA and one-time or periodic additional payments as necessary.
- The ability for participants and City staff to update general changes on a retiree's payment record such as: Federal Tax withholding status, home address, and direct deposit information via a self-service web-based portal.

H&H has been helping municipalities with actuarial services since 1956. Over the decades, we have seen the industry evolve from a highly manual paper and pencil process to the use of online tools and robust databases that give plan sponsors and participants instant access to their data 24/7.

We understand that technology is an important component in delivering quality service to our clients and their employees, which is why we are continuously investing in our pension administration system. Offering a high level of customization and configurable security, with no hardware or software to purchase, our **Pension Outsourcing** program offers a cost effective choice for plan sponsors seeking maximum efficiency.

Pension Outsourcing is driven by PensionEdge® Plus, a game changing solution for defined benefit plan administration. This secure web-based portal was built based on years of experience and client feedback, offering plan sponsors and participants a comprehensive tool for viewing, managing and storing of all plan related information. Through the portal, you can coordinate plan administration activities across a number of departments and locations, while simultaneously providing your employees with instant access to their benefit information.

PensionEdge® Plus features:

- Configurable data access
- Paperless documents
- Real-time participant reports
- Online newsfeed and communications
- Worktrack—an online assistant providing you and your staff with maximum efficiency
- Software as a Solution (SaaS) and SSL encryption ensures complete data integrity
- No hardware or software to purchase

The portal allows plan sponsors to grant participants and HR staff varying levels of access and security to perform various benefit-related tasks online, such as:

- Benefit projections and “what if” scenarios
- Real-time pension benefit calculations and projections
- View plan correspondence and benefit statements
- View/edit selected pension data

Most features of the PensionEdge® Plus portal can be customized to meet the specific needs of each plan sponsor.

Although technology provides instant access to pension information, some participants prefer personal assistance which is provided by the **PensionEdge® Service Center**. Staffed with highly-skilled and knowledgeable professionals, the service center provides live assistance to participants Monday – Friday from 8:30 am to 4:30 pm ET. Voice mail and email are also available 24/7 for participants’ convenience, and calls and email messages are responded to within one business day.

A brochure detailing our Pension Outsourcing program is provided in the Exhibits section of this proposal. We would be happy to present a demonstration of the system at your convenience.

NEW SYSTEM IMPLEMENTATION

Our clients benefit from our time-tested implementation approach. Typically, we would work with your existing actuary to obtain valuation data. However, since Burlington is currently an actuarial client, we have most of your data therefore, minimal time will be spent working with an external vendor to obtain additional information.

A typical implementation is completed in nine to twelve months. Most of the portal is configured to your specifications. Your implementation team will work with you to configure fields, reports and

other portal features ensuring they meet your needs and the needs of your participants. Once the system is programmed, we will fully test it to ensure that it performs to your specifications and conforms to the plan document.

To ensure that your participants understand the value of the benefit the City is providing, we will work with you to develop participant communications. Although the system is easy-to-use and offers online guidance, your staff will receive hands-on portal training. Participants may reference online User Guides to help them navigate the portal and they will also have access to knowledgeable service center representatives equipped to answer their questions, help complete forms, assist with website navigation, and provide support where needed.

The timeline below provides you with additional implementation information.

TIMELINE

A typical transition can take anywhere from nine to twelve months to complete. The following timeline outlines specific tasks that need to be completed before the system goes “live.” Because each municipality is different, we will work with you and your staff to identify achievable dates for each task of the implementation process.

Date	Task	Responsibility
	Valuation data is reviewed & data questions are sent to Burlington	H&H
	Answers to data questions provided to H&H	Burlington
	After finalizing data, detailed transition timeline sent to Burlington	H&H
	Send PensionEdge® Plus Portal Authorization Form	H&H
	Return signed PensionEdge® Plus Portal Authorization Form	Burlington
	Complete programming of benefit calculator	H&H
	Finalize benefits forms package	H&H/Burlington
	Select features for PensionEdge® Plus	H&H/Burlington
	Provide Plan Sponsor logins for PensionEdge® Plus	H&H
	Train Plan Sponsor on PensionEdge® Plus web portal	H&H
	Testing of PensionEdge® Plus web portal benefit calculator	H&H/Burlington
	PensionEdge® Plus web portal with benefit calculator ready for participants	H&H
	Mail PensionEdge® Plus welcome letters to active and terminated vested participants (and retirees) to introduce web portal and service	H&H

Data Transmission

As a current actuarial client, we already have your plan data and you are already familiar with our secure data transfer procedures. During the implementation meeting, we will discuss methods for collecting any incomplete or additional data needed. For example, clients that utilize PensionEdge® Plus, either for an online benefit calculation or as part of an outsourcing solution, often provide payroll feeds for active data rather than completing a full data request. As a result, we will tailor the data request to meet your needs.

We will send that data request in advance of the valuation date. Data can be transferred to us by email using the H&H Secure Message Center to ensure the security of information. After the data is received, we will review it for reasonableness and reconcile it with the prior valuation.

Quality Control

We take quality control very seriously. Our firm is organized into three service units with firm-wide quality control and unit scheduling procedures. We use an internal WorkTrack system to manage workflow, ensuring that all work is properly reviewed and all deadlines are met.

Additionally, our firm has successfully completed the SSAE-16 examination, ensuring trust and confidence in our service delivery processes and controls.



A. Customer Service/Account Management

1. Describe your account/client management approach.

We have built our reputation on being responsive to our clients' needs. We do everything possible to assist our clients in ensuring that their plan operates according to the client's specifications. Our service teams are structured with enough depth to ensure that clients are always able to reach any one of the professionals on their H&H team. We also use state-of-the-art systems and proven best practices to ensure that plans are handled correctly, efficiently and cost-effectively. We are constantly seeking better ways to improve upon our services to continue exceeding our clients' expectations today and tomorrow.

2. Describe your organization's commitment to quality and your philosophy /approach to client services.

We take quality control very seriously. Our internal WorkTrack system is used to monitor all client deliverables, and the data from that system is used to make informed decisions about case assignment. The workload of both consultants and analysts is periodically reviewed to ensure no employee's workload is such that client deadlines and/or quality of service will suffer.

Our actuarial consultants meet on a regular basis to discuss workloads and share best practices. Because information systems are so important to the delivery of quality services, we have made a significant commitment to our Information Technology area - both in personnel and leading-edge computer systems and equipment.

We are dedicated to providing outstanding service to our clients. We measure quality through client listening points such as client surveys and quality reviews, as well as internal operational and management reviews. We share best practices to ensure our clients are receiving all of the combined intellectual capital that the firm has to offer.

Our processes and procedures are SOC 1 Type 2 compliant and we undergo an annual audit by BerryDunn for certification.

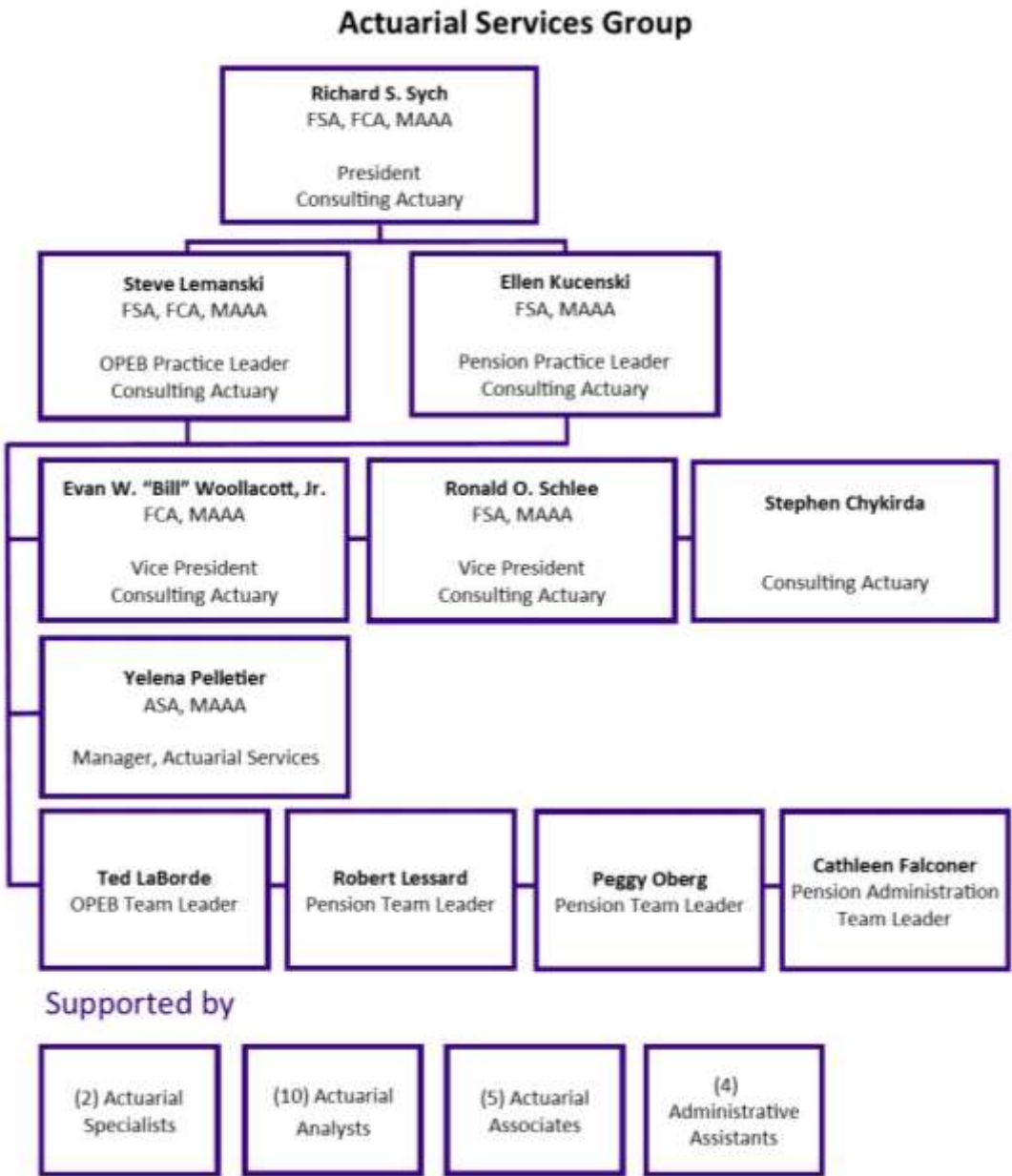
Additionally, our compensation strategy is to compensate, recognize and reward professionals for superior individual performance and behaviors that positively affect their clients, team and co-workers. Compensation for team members is based on overall commitment to our service goals and success in meeting client requests and deadlines.

3. Are the client/account team members that will be assigned to the City potentially from multiple locations? If so, how will the service team(s) be managed?

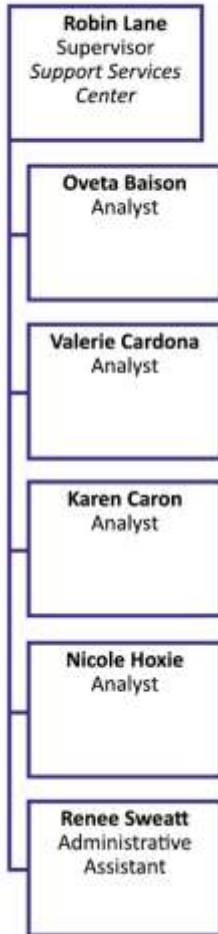
No, all services are administered from our one office located in West Hartford, Connecticut.

4. Please provide an organizational chart of your proposed service team for this relationship. Provide the name(s), title(s), address(es), telephone and fax number(s), email address(es), and the responsibilities, functions, or roles of each individual who will be assigned to and responsible for providing the contracted services under the Plan, including the Client Relationship Manager who will be responsible for the overall relationship with the City. Please provide each individual's education and work experience.

Organizational charts for our Actuarial Services Group and Support Services Center is provided below and full team bios (**Tab Q**) are provided in the Exhibits section of this proposal. All services are delivered from our office in West Hartford, Connecticut.



Support Services Center



As a current client, your service team will not change. You will continue to work with **Steve Lemanski, FSA, FCA, MAAA**, practice leader and consulting actuary (860.856.2073, SLemanski@hhconsultants.com). Steve will be supported by **Cathleen Falconer**, pension administration team leader and implementation lead (860.856.2120; CFalconer@hhconsultants.com). **Rob Lessard, ASA, ACA, MAAA**, pension team leader and supporting actuary (860.856.2106; RLessard@hhconsultants.com) and **Laura Hanson**, actuarial specialist (860.856.2054; LHanson@hhconsultants.com). Both Cathy and Laura have been an integral part of our pension outsourcing program since its inception. Steve, Cathy, Laura and Rob will be supported by a team of knowledgeable actuarial analysts who are already familiar with your plan's specifications.

Additionally, your service team will be fully involved with the implementation process to ensure that all aspects of setting up your outsourcing portal are seamless. Your transition team will be led by **Cathleen Falconer** who will continue to serve on your ongoing service team once the transition is complete. Cathleen will be supported by **Robin Lane**, a 25-year veteran who has a

wealth of knowledge and experience. Both Cathleen and Robin will be supported by additional staff required to complete the transition as scheduled.

5. How do you ensure that account continuity and knowledge is maintained on the accounts/clients from initial planning and conversion through implementation and ongoing servicing?

Service continuity is ensured because your implementation team will become your service team once the transition is complete. Additionally, as your current actuary, we already know your plans which means no learning curve or added delays in getting the portal up and running smoothly.

6. Describe the hand-off process when moving from pre-sales to sale to implementation to support. Are personnel shared among the separate teams? What steps are taken to ensure smooth transitions? Has your organization performed a transition from Prudential Financial Group in the past?

The Question and Answer document provided by BERS indicated that we should not answer this question.

7. How many of your employees work on public sector defined benefit plans? Provide a breakdown of the number of full-time equivalent employees working on defined benefit plans by the following functional areas: management; call center management/supervisors; customer service representatives (CSR's); field representatives; systems management; systems staff (development staff and operating/maintenance staff); and other support personnel.

We have 27 people working in our Actuarial Services Group, as follows: consultants (6); managers and analysts (17); administrative support (4). Six professionals work in our Service Center: management (1) and support (5).

8. Will you need to add local or onsite employees in order to provide the required services to the City? If so, please state the number of additional staff required, by job title and function.

No additional employees will be needed in order to provide the required services to the City.

9. How many public sector defined benefit plans have you gained in the last three years?

We have added 11 public sector defined benefit plans in the last three years.

10. Provide a representative list of public sector defined benefit clients for whom you provide defined benefit services. What is the total number of participants in all public sector defined benefit plans currently being administered by your organization

A representative list of public sector defined benefit clients, representing more than 60 plans and 6,500 participants, follows.

Municipal Clients		
Town of Bethany, CT	City of Hartford, CT	Regional School District #13, CT
Town of Bloomfield, CT	City of Meriden, CT	Regional School District #14, CT
Town of Bolton, CT	City of Middletown, CT	Regional School District #15, CT
Town of Branford, CT	City of Milford, CT	RHAM (Regional Hebron, Andover, Marlborough), CT
Town of Brooklyn, CT	City of Nashua, NH,	Town of Ridgefield, CT
City of Burlington Employee Retirement System (BERS), VT	City of New Haven, CT	Second Taxing District Norwalk, CT
Town of Canton, CT	City of New London, CT	Town of Somers, CT
Capitol Region Education Council, CT	City of Newport, RI	Town of Southington, CT
Charles County Bd of Ed, MD	City of Norwalk, CT	Sprague Board of Education, CT
Town of Clinton, CT	Orange County Community College Association, NY	Town of Stafford, CT
Town of Colchester, CT	Town of Killingly, CT	City of Stamford, CT
Town of Columbia, CT	Town of Killingworth, CT	Town of Stonington, CT
Town of Coventry, CT	Town of Litchfield, CT	Town of Suffield, CT
Town of Cromwell, CT	Town of Mansfield, CT	Third Taxing District Norwalk, CT
CT Water Service, CT	Town of New Canaan, CT	Town of Thompson, CT
City of Danbury, CT	Town of New Hartford, CT	City of Torrington, CT
City of Derby, CT	Town of Newtown, CT	Town of Monroe, CT
Town of Durham, CT	Town of Plainfield, CT	Town of Wallingford, CT
Town of East Hartford, CT	Town of Plainville, CT	City of Waterbury, CT
Town of East Lyme, CT	Town of Putnam, CT	Town of Waterford, CT
Town of Eastford, CT	City of Groton, CT	Town of West Hartford, CT
Town of Easton, CT	Town of Groton, CT	Town of Weston, CT
Town of Enfield, CT	Lebanon Public Schools, CT	Town of Wilton, CT
Town of Essex, CT	Lisbon School District, CT	Town of Winchester, CT
Town of Fairfield, CT	New Shoreham School Department (Block Island Schools), RI	Town of Windham, CT
Town of Greenfield, MA	Questar III, NY	Town of Windsor Locks, CT
Borough of Naugatuck, CT	Town of Redding, CT	Town of Woodbridge, CT

11. What is your experience in providing defined benefit plan administration services for similar governmental programs?

H&H was at the forefront of developing an online pension administration system and our first “online” client dates back to 1995. Over the decades, we have seen the industry evolve from a highly manual paper and pencil process to the use of online tools and robust databases that give plan sponsors and participants instant access to their data 24/7.

Before the internet, our actuaries ran calculations and distributed them via the mail, fax and email once it was developed. When others did not, we offered clients and participants a “hot line” to call with questions about their pensions. So although the services were not provided online, our clients have always appreciated the innovation and convenience we bring to the table.

12. Identify the key facets of your approach that make you uniquely qualified to provide services to the City.

As your current actuary, we know the specifics of your plan and are already familiar with your data. We believe that our pension administration program will greatly improve the way in which you and your participants view and manage your pension.

13. Do you use any CRM tools to track and manage customer services and issues?

Our CRM, Sugar, is used to track sales activity and client relationship activity but it is not integrated with our pension administration software. We are currently working with a vendor to build a CRM that integrates with our administration and service center areas. Implementation is planned for 2019. We currently use MS Office tools for tracking and fulfillment of customer service issues.

14. Describe your errors/omissions liability insurance and coverage. Describe the various types of insurance coverage and indemnification provided to protect clients.

If awarded this contract, we can provide a certificate of insurance indicating the following minimum coverage:

- Worker's Compensation – As required by law
- General Liability with the Client as additionally insured, \$1,000,000 CSL, aggregate of \$2,000,000
- Automobile Liability - Hired automobiles; combined single limit of \$1,000,000 per occurrence
- Professional Liability - Minimum limits of \$5,000,000 per occurrence

If the policy is on a claims-made basis, the policy shall be continually renewed for two years beyond the termination date of this contract and its renewals.

15. Do you track customer satisfaction metrics? Do you conduct periodic client satisfaction surveys? If so, are these surveys conducted by an independent entity? Please include any recent key statistical figures and the results of any recent survey(s). What corrective measures or action steps do you perform to address clients and participants who are not satisfied with your service performance?

Our philosophy is simple - our clients come first! We endeavor to provide services to meet client needs, rather than adhere to a service standard. This deeply embedded philosophy is the core of our success and is what sets us apart from the competition.

Our commitment to quality starts with our employees; we value them and give them the opportunity for ongoing training and advancement in order to create a favorable work environment that permits them to consider a career with H&H. We provide a personal touch,

meeting and/or calling our clients regularly to inquire about their service experience to aid us in continuously meeting their changing needs. Our business model, systems, technology and staff are all geared towards bolstering this goal.

To further ensure that we maintain our reputation for superior quality standards and to aid us in our constant improvement process, we developed a client satisfaction survey this year and plan to launch it in early 2019. Our goal is to utilize our findings to further improve our products, services and outcomes. When participant education is included in the plan, we survey participants at the end of each session to capture their feedback.

We take pride in the expertise of our professionals and always hope to avoid any situation where a dispute arises. Most questions can be resolved via a conversation with a consultant or service center representative. In the event that a dispute needs to be escalated for resolution, we would reach out to the sponsor and your primary consultant to discuss the best outcome for both parties.

16. What is the average number of account relationships for each of your proposed team members? What is the current number of account relationships for the entire team proposed for this account?

On average, each actuarial services team member services approximately 23 client accounts. The total number of account relationships for the actuarial services team servicing this account is 48. The average number of clients for each service center team member servicing this account is 10, with a total of 50.

17. What is the average tenure (in years) of the following positions: Plan Administrators; Client Relationship Manager; Field Service Representatives; Conversion Project Manager; Customer Service Center Representatives? This is a key issue for the City with regard to turnover on the account. Strongest consideration will be given to those organizations that can best exhibit consistency across service teams.

Turnover is relatively low at our firm, and many of our employees (38%) have been with us for more than 10 years, and 21% have been with us for more than 20 years. This longevity of service not only provides continuity to our clients, it lends experience to junior members of the firm.

18. What is the last date when your organization had a change in its business structure, whether through an acquisition or divestiture or through an alliance arrangement? If applicable, how did this change in business affect the administration division?

The firm has grown organically through strong relationships, and by delivering exceptional service and superior outcomes for its clients. The last change to business structure was the addition of our Investment Advisory subsidiary in 1996, and did not have an effect on our pension administration function. We have not gone through any mergers or acquisitions in our company's history and none are planned at this time.

19. Describe any pending or anticipated plans to re-organize your company within itself or as part of the larger organization of which your company is a part.

There are no plans to reorganize within the firm at this time.

20. What portion of your organization's expenses is related to system technology development?

We continually evaluate our existing systems to ensure we are in line with the pace of technology, and, correspondingly, set the technology budget each year to ensure the necessary upgrades or improvements are built in. On average, approximately 6-10 percent of our expenses are allocated to technology.

21. If the City wanted a detailed review/audit, conducted of your administration processing over a specific period, would you allow on-site access to the reviewing third-party to interview your staff members who perform the administration?

Yes, we would allow for an audit given adequate advance notice of such request and limited in scope to the existing services being provided to the City. For your convenience, our existing external audit performed in support of our annual SOC 1 exam (**Tab M**) is provided in the Exhibits section of this proposal.

22. Describe how member's user accounts are created and maintained.

User accounts are generated by the system. Password resets may be made by the plan sponsor, administrator or participant.

B. Service Agreement and Levels

1. Describe your dispute resolution process.

We take pride in the expertise of our service center representatives and always hope to avoid any situation where a dispute arises. Most questions can be resolved via a conversation with a service center representative. In the event that a dispute needs to be escalated for resolution, we would reach out to the Sponsor and your primary consultant to discuss the best outcome for both parties.

2. Is there any client compensation for system and/or administration services down time?

Any type of compensation arrangement would be determined on a case-by-case basis at the discretion of your primary consultant.

3. Describe how your company keeps its applications updated for the changing legislative and regulatory requirements. How long does it typically take for you to incorporate any such legislative changes into your systems and train your administration staff?

H&H continuously monitors legislative changes and works with our software vendors to make sure that all calculations are completed in accordance with the latest regulatory requirements. Updates to our software are made approximately ten (10) times each year so most changes are made within weeks of first being requested and well in advance of any required implementation dates.

- 4. Describe your typical service performance levels written into client service agreements. Are you able to work with a client who requires more stringent service level performance guarantees?**

A sample of our Service Agreement (**Tab L**) is included in the Exhibits section of this proposal. We will work with BERS to ensure all expected services are being met.

- 5. Identify your standard and committed response times.**

Service calls are answered within 20 seconds during business hours; voicemail or email messages left after hours are returned by the next business day and within 24 hours. Emails received during business hours are generally responded to within two hours or less.

C. DB System and Administration Capability

- 1. Provide the detail of your system capability concerning retirement processing with regard to tracking of participant retirement elections and recordkeeping of plan history concerning salary and service.**

Our system can store all salary and service history. Participant retirement elections processing is documented through the Worktrack feature - a tool designed to help plan sponsors coordinate tasks. Documents are stored as PDF files on each participant record.

- 2. Provide the detail of your system capability concerning data import and export feeds. Describe your approach and procedures to determine and maintain data integrity.**

Data imports can be done through .csv files and can be exported to excel files. Imports can be customized to client specifications. Validation reports and error reports are used to determine and maintain data integrity.

- 3. Does your system calculate 415 limitations on all benefit calculations? Does it track and apply 401(a)(17) limitations? How about the 25 highest paid limitation on lump sum payments?**

The system calculates 415 limitations and 401(a)(17) limitations on all benefit calculations. The 25 highest paid limitation on lump sum payments does not apply to municipal plans.

- 4. Does your system track and calculate minimum required distribution age 70 ½ calculations for participants in pay status? Does the system automatically apply actuarial increases for deferred age 70 ½ payments? Does your system track deferred vested participants approaching age 70 ½ for proactive notification to secure elections and make timely age 70 ½ payments?**

Yes, our system tracks and calculates all of these items.

5. Describe how your system handles suspension of benefits notifications to participants. Does your system handle actuarial increases for suspended benefits for post- NRD payments?

Notifications are tracked and sent as required. The system handles actuarial increases as determined by the Plan.

6. Are conversions for optional forms of payment preprogrammed into the system? Are they table driven or calculated on the fly?

Yes, they are programmed dependent on how the Plan handles them and can be either table driven or calculated on the fly.

7. Does your system allow for production of a valuation data output file? Does your system's benefit calculator allow for production of a group of benefit calculations in batch mode?

Yes, the system allows for both.

8. Is your system database capable of maintaining payroll records for compensation other than plan earnings?

Yes, the system is capable of maintaining payroll records for compensation other than plan earning.

9. How does your system handle plans with multiple benefit formulas where participants can be impacted by more than one formula? How does your system handle benefit formulas for certain participants that differ for different periods of benefit service?

Formulas are applied based on indicator and/or dates provided to meet plan specifications.

10. How does your system determine plan eligibility from the individual participant indicative data? Is there any limit to the number of identifiers that can be used to determine eligibility?

Based on Plan specifics, the system can be coded for age, service, and rounding determinations, and are applied individually. There are no limits to the number of identifiers.

11. Please describe how your system will merge information and produce all required letters and retirement forms. Are your system's forms in a standard format or can they be customized for client requests? Does the system allow administrators to have access to be able to customize a specific participant's letter? What is your standard protocol for providing Relative Values Notice information to retiring participants? How would your system handle

the use of generic Relative Values Notices and if so, how would a request for an individualized Relative Values Notice be handled?

We have standard formats for required letters that we will work with the client to customize as necessary. Data is merged individually from the participant records. We will work with the client for any participant specific customizations. We provide individualized Relative Value information for all calculations.

12. Please describe in detail how your system maintains an audit trail. Are all database changes handled through batch mode or can changes be made real-time directly on-line and still have an audit trail?

An audit trail is maintained on both a plan and participant level for all changes within the system. Database changes can be made in both real-time and directly online as well as through batch mode.

13. Is there a limit as to how many service breaks or leaves of absence per participant that your system can track and accommodate? Can your system track participants who switch from working as an eligible employee to an ineligible employee (and vice versa)? How is all service (eligible and ineligible) tracked for vesting purposes? How is credited service tracked for only periods of eligible service for accrued benefit purposes?

There is no limit to the amount of breaks/leaves. All plan requirements are coded into the system for eligibility, vesting and credited service dependent on participant data elements.

14. How do you track and handle notice reports for situations like Period Certain benefits expiring, vested terminated participants reaching Normal Retirement Date, active or deferred vested participants reaching their minimum required distribution benefit commencement date, etc.? 15. How does the system handle the designation of QDROs in the Database? How are pending DROs identified from final qualified QDROs? How does your system address the addition of a QDRO alternate payee as a participant either as a retiree with immediate payment or as a deferred vested participant? How does your Database system handle a future split QDRO vs. a current split QDRO?

Monthly, quarterly, or annual reports are generated to determine notification requirements.

15. How does the system handle the designation of QDROs in the Database? How are pending DROs identified from final qualified QDROs? How does your system address the addition of a QDRO alternate payee as a participant either as a retiree with immediate payment or as a deferred vested participant? How does your Database system handle a future split QDRO vs. a current split QDRO?

Indicators are set up for participants who have QDROs. The DROs are stored to the participant record and benefit split is set up at final QDRO. Alternate payees are set up as separate records either as immediate or deferred payment. Current split is stored or recalculated annually until receipt of final benefit.

16. Describe how you will provide the City QDRO qualification and administration services? How will you work directly with the City's legal counsel to approve and/or vet issues on a QDRO?

We would require current QDRO procedures. We can either work directly with the City's legal counsel at an hourly rate or we can work with the City to obtain legal review.

17. What is your systems capability to provide employee self-service access? What modeling of DB plan and any other retirement benefits is accommodated in your system? Is an employee able to access and model his or her own pension benefits on-line through a secure portal? Is there sufficient flexibility to accommodate plan-specific provisions such as Sick Leave conversions?

The system can be customized to provide participant data information, store participant documents and to allow participants to run benefit estimates through a secure online portal. Stored sick leave information would be applied in the benefit estimator.

18. Does your system benefit calculator generate a pension worksheet illustrating the detail on how the benefit was calculated (provide examples)? Is the same worksheet back-up provided for employee self-service as for your administration services group?

Yes, it generates the detailed benefit calculation with all available options for both.

19. List the types of early retirement factors your system can handle (i.e. actuarial equivalent, simplified, subsidized early, etc.). Can your system apply different early retirement factors to different eligibility requirements (like benefits accrued before and after a specific date and/or for retirement from different statuses)? How does your system handle the determination of the achievement of special unreduced early retirement provisions (like the "Rule of 85")? Do you have other clients with special early retirement provisions in their plan?

All early retirement factors can be coded and applied as required by the plan. We have other plans with special early retirement provisions such as "Rule of 85", age and service combinations, and unreduced for disability, etc.

20. Describe how your system can handle the adjustment of the benefit for a rehired participant who previously received a distribution of employee contributions or a lump sum of prior benefits. Is it adjusted systematically or is manual intervention required? Does your system track prior lump sum distributions that have been paid?

The system can handle the adjustment of the benefit for a rehired participant. Depending on the situation, it may be adjusted systematically or manually. Yes, it tracks prior lump sum distributions that have been paid.

21. What is the extent of your actuarial support, if needed, during day-to-day administration for such things as actuarial equivalent calculations, QDRO split calculations, etc.?

As your current actuary, we are available to assist with these and other actuarial projects as needed.

22. How does your system handle the determination of eligibility for early retirement, normal retirement, etc.? Is this determined continually from the individual participant indicative data or determined at initial eligibility in the plan and set in the participant's record? How does your system handle different eligibility requirements for early retirement, normal retirement, etc. for different categories of participants? Is there a limit to how many different categories your system can handle?

Eligibilities are determined continually from the individual participant indicative data. Eligibility requirements are programmed based on plan specifics. There are no limits to different categories.

23. Do you store terminated non-vested participants' plan information in the DB database forever or are these records archived periodically? Is there an additional charge to clients to keep them on the live database?

Our current policy is to retain client data indefinitely. We will notify you if our policy on data storage changes in the future.

24. Do you send annual statements to terminated vested participants?

Yes, at the request of the client, we can send annual statements to terminated vested participants.

25. Have standard payment authorization interfaces been built for specific bank/custodial trustees? What processes do you have in place to provide distribution payment check-cutting services for monthly retirement annuity payments?

There are standard payment authorization interfaces for certain bank/custodial trustees. We work with Schwab for providing distribution payment check-cutting services for monthly retirement annuity payments.

26. How are your assigned staff kept apprised and trained on new law or governmental regulations affecting administration?

Our actuaries participate in continuing education meetings and webinars provided by the Conference of Consulting Actuaries (CCA), American Academy of Actuaries and the Society of Actuaries. To ensure that our staff is up-to-date on current trends, information obtained at these sessions is shared with our actuarial and technical staff through a monthly series of continuing education programs conducted in-house. The firm also adheres to the formal program of annual continuing education requirements that has been implemented by the American Academy of Actuaries and the Joint Board for Enrolled Actuaries.

27. What is the average length of experience for your DB plan administrators?

On average, our DB plan administrators have 14 years of experience.

28. Is the administration staff divided into groups performing specific tasks? (For example, a dedicated group to process and authorize payments to retirees.)

Processing and reviewing tasks are separated. All data inputs are reviewed by a second person before moving to the client for approval and reviewed again before moving into production. All service center analysts are experienced with benefit payment administrative tasks.

29. Are DB administration staff located physically in the same location or are they virtual and working from many different locations? What will be the location(s) for the team assigned to provide services to the City?

All staff is located at our office on 65 LaSalle Road, West Hartford, CT.

30. How do you administer the restoration of accruals for participants who return from military leave? Are such restorations handled manually or systematically?

Accruals would be dependent on the plan and restorations can be handled manually or systematically.

31. Explain how you administer Suspension of Benefits provisions. How do you administer Suspension of Benefits for retirees who have been rehired and whose retirement benefits must be suspended?

Based on plan specifics, we may stop the benefit payments and send letters to retirees documenting the process. This is established during the transition phase.

32. How is your system and administration processes set up to handle the impact on participant benefits of any funding-related restrictions imposed by any regulation? Please include discussions about coordination with the actuary for the plan, changes to the system calculation processing, changes to election forms, handling transition situations, and any required notifications to participants.

System programming is developed in conjunction with the actuarial team and updates are made based on plan impact.

33. Describe how your system or administrators handle service adjustments for rehire and leave of absence situations.

Any adjustments are programmed based on data indicators.

34. Do you have mobile web access capabilities available for participant use? Is there an extra fee to the client for mobile web access?

Yes, mobile access is available at no additional charge.

35. Provide examples of annual benefit statements you can produce from your system. Can these statements be customized? Is there an extra cost for customization?

Statements can be customized. For most situations, there is no additional charge. Sample statements can be found in the Exhibits section of this proposal (Tab J).

36. Do you provide your clients with information for any client-required reporting purposes?

Any database item can be reported. We will work with you to create reports that meet your needs.

37. For client requested reporting information, not included with your standard reports offered, are there additional fees required for such ad-hoc requests? What if the reporting need is ongoing on a periodic basis?

Reports can be customized. For many situations, there is no additional charge. We will discuss reporting needs with your during the implementation phase, and work with you to build reports that suit your unique situations.

38. What audit assistance do you provide to your clients for their internal/external auditors? Please outline your process for assisting your clients' auditors and discuss any standard audit information provided and your typical time commitment to providing such assistance.

We are available to assist auditors as needed. Typically, this would be an item billed on a per-hour basis. Time spent would be dependent on the level of detail requested.

39. With regard to contributory plans, does your system track employee contributions with and without interest? Does your system apply plan appropriate/statutory interest rates for mandatory contributions? Can your system handle tracking of mandatory and voluntary employee contributions? Can your system apply different interest crediting rates to different

contribution accounts and account for multiple accounts under multiple structures in the plan? How often does interest get applied?

Yes, contributions with and without interest may be tracked. Plan specific/mandatory rates are applied. The system can apply different rates to different accounts under multiple scenarios. The interest is applied based on plan specifics.

40. With regard to contributory plans, does your system calculate non-taxable and taxable portions of the benefit for pension payments? Does it calculate the tax basis on lump sum refunds of employee contributions, where there is a remaining employer benefit?

Yes, taxable/non-taxable portions of the benefit are calculated as well as the remaining employer benefit after a refund of employee contributions, if applicable.

41. Please furnish your death benefit processing procedures.

After receipt of a death notification, the current benefit is stopped, a request for the return of any overpaid benefit is issued, beneficiaries are identified (if any), and the beneficiary benefit processing would begin.

42. How do you handle post retirement flat dollar death benefits? How do you track eligibility for such a death benefit?

Based on plan eligibilities, upon death of a retiree, the payment is processed as applicable.

43. Does your system allow for multiple beneficiaries for J&S benefit elections? If so, how do you administer these and calculate the J&S option factor?

Yes, based on the youngest age and then split. Calculations would be specific to the plan.

44. Do you have the capability to accept electronic copies of the City's forms (such as beneficiary designations and completed retirement applications) to keep in your database? Do you keep beneficiary information online?

Yes, we can store electronic records and show beneficiary information online.

45. What is the expectation of the City's involvement with you in order for you to provide administration services with respect to benefit calculations and estimates?

We would require benefit calculation quality data from the City.

46. Do you provide an administrative or procedures manual that includes a timeline of critical dates, roles, and responsibilities?

Yes, a transition timeline is provided upon engagement with the client.

47. Will you customize materials for the City? Is there additional cost for customization?

Yes, we can provide customized materials for the City. For example, all statements, letters and mailings - whether standard or custom-designed by our marketing team - can be personalized with your logo, the plan name and other preferred features. Depending on the nature of the customization, format and distribution channel, there may be a cost associated with requests. Since each project is different, a cost estimate would be provided for your review and approval before any work would begin.

48. Describe your administrative process for correcting payroll data and performing edit checks on incomplete or missing data. Discuss how such data problems are resolved.

Data is reconciled as agreed upon. We will work with the sponsor for data reconciliation in a similar manner as in the current valuation data process, which included error checking and missing data validations.

49. Describe your administrative capabilities for mailing termination benefit information packages directly to terminated vested plan participants. Describe in detail your processes and procedures for commencements from terminated vested status upon reaching Normal Retirement Date.

During the transition process, we will develop a plan with the sponsor for the frequency of providing information to terminate vested participants. We check for vested termination within 6 months of NRD biennially.

50. Do you prepare 1099R Tax Forms and issue tax statements to participants who receive distributions, including forms and tax statements for beneficiary distributions and related filings?

For benefit payments made through the Schwab system, Schwab will prepare and issue 1099R Tax Forms and related information.

51. Describe the process you use to track and maintain employee beneficiary data. Do you do periodic participant beneficiary solicitations for clients?

We maintain beneficiary information as provided by the plan sponsor. The web portal can be customized to allow online updating of beneficiary information.

52. Describe in detail how your system handles Federal and State tax reporting. Do you provide tax form preparation and filing? How do your systems support tax reporting for participants who have moved outside of the United States?

For retirees outside the US, Schwab requires WBEN8 forms. Schwab prepares Federal and State tax reporting in batch.

53. Does your system provide for in-service distributions for participants beyond their required beginning date? Describe how your database supports such in-service distributions.

Yes, our system provides for in-service distributions. Participants with in-service distribution are flagged for appropriate processing.

54. Please describe how your clients normally provide census data updates (i.e. address changes, employment status changes, new eligible employees)? Can your system capture manually entered census data from multiple locations?

Census data is usually provided through Excel or .csv files that are imported into the database. The portal can be configured to allow manual input of data elements per the individual.

55. Describe your process for searching for participants who have not cashed their distribution payment checks.

If a check is uncashed after 30 days, we first search our third party death database. If the participant is found to be deceased, we proceed with our death process. We use our third party locator service to review address match and if a new address is found, we send out an address verification letter for return and reissue of the outstanding check. If no death record and address match is found, a letter is sent to the address on record to alert the participant about an uncashed check. If, after 60 days the check is still uncashed, a second notice is sent to the address on record.

56. Can your system handle COLA pension increases or ad-hoc COLAs for retired participants? How does your system handle the calculation of active retirement results to reflect automatic COLAs?

Yes, the stored benefit payments are updated to reflect any COLA increases. Automatic COLAs are calculated and updated as required for plan sponsor approval prior to payment.

57. How do you locate deceased or missing Plan participants? Please describe your procedures including frequency and search databases utilized. Do you verify deceased participants via the Social Security Administration? Do you use third party search offerors for this need? Please provide the frequency with which such searches are performed.

We work with an outside vendor to complete due diligence searched for missing participants. Our standard is to search for any newly identified missing participants monthly and annually for those not previously found. Death audits of retirees are performed through Schwab based on agreement, but not more frequently than monthly. Death audits for others are performed annually.

58. Does the system generate popup error warnings and are these standard or can they be customized?

Yes, the system generates popup error warnings. Certain warnings are standard, others may be customized.

59. Describe your service standards and turnaround time for the completion of the following:

Issuance of annual defined benefit Participant Statements; Transaction Confirmation Statements; Hard Copy Plan Level Administrative Reports; Retirement Benefit Calculations/Estimates; Defined Benefit Retirement Packages; QDRO Processing.

During the transition process, we will work with the plan sponsor to develop a plan for determining the due dates for defined benefit participant statements and other reports. Benefit estimates will be generated on-demand through the web portal. Benefit Retirement Packages typically have a 2-3 week turnaround time. QDROs will depend upon the difficulty of the request.

60. Describe how you will process retirement payment authorizations/instructions with the bank/custodial trustee. Will you perform a monthly payment reconciliation of processed payments/changes?

We will work with the plan sponsor to develop the retirement process steps, including plan sponsor authorization through the web portal. We perform monthly payment reconciliation of processed payments/changes.

D. System Testing

1. Describe your testing life cycle for newly developed system functionality before it is released internally to your staff and used for services to clients.

New versions are loaded to a test environment and parallel tested prior to release.

2. Describe your different testing environments (development, unit test, integration testing, UAT, etc.) and how they are utilized.

We work with separate production and test environments. With this structure, all software changes are first made within the test environment before implementation in production.

3. Does the client have access to different testing environments?

Currently, clients do not have access to any testing environments.

4. What are the client requirements for testing and sign-off during the implementation cycle?

Based on the transition timeline, the client is given access and training to test the web portal prior to their approval to go live.

5. How is configuration or control data managed from environment to environment during testing?

Production data is mirrored in a test environment.

6. How is employee data managed from environment to environment during testing?

Employee data is mirrored in a test environment.

7. Please describe a typical testing plan for a new customer going through implementation, including the number of "rounds" considered standard and covered under the quoted fees before the client sign-off. Please provide the typical number of hours commitment required for client staff during implementation.

Thorough testing of the plan is completed prior to client testing. There are not standards for the number of "rounds" a client may go through. Implementation is complete when the client is fully satisfied with the results and is included under quoted fees. Number of hours is dependent on client testing.

E. Regulatory and Compliance Services

1. Describe your ability to ensure regulatory compliance for the City of Burlington and how you address any issues that occur.

H&H continuously monitors legislative changes and works with our software vendors to make sure that all calculations are completed in accordance with the latest regulatory requirements. With our 62-year history, there are not situations we have not seen. We will work with clients to listen, provide solutions, and resolve any issues as quickly as possible.

2. Describe how you monitor §401(a)(9) required minimum distributions including:

See E3-E6 below

3. Identification of individuals

This is monitored through system generated reports.

4. Determination of the amount of the minimum required payment

Monitored based on applicable law.

5. Payment within required deadlines.

Monitored through monthly/quarterly/annual tracking.

6. Annual updates for those in pay status

This is monitored and tracked annually.

7. Describe your capabilities and timeframes for monitoring maximum benefit and compensation limits.

These are programmed as part of the benefit calculation.

8. How do you address violations of compliance with any regulations?

We will work with appropriate City staff to help address any compliance issues.

9. As part of your service, do you provide an annual benefits file, containing financial and nonfinancial data by participant?

We provide annual benefit statement files and payee check registers.

10. Please provide a current SSAE 16 audit of your DB administration services/systems, or any other recent audit you have performed.

Our most recent SOC 1, Type 2 report is included in the Exhibits section of the proposal (**Tab M**).

11. Please acknowledge and describe in detail your fiduciary responsibility with respect to the City of Burlington's DB Plan.

Section 3(21)(A) of ERISA defines a fiduciary as a person who 1) has any discretionary authority or control over the management of the plan or its assets; 2) renders investment advice for a fee or other compensation, direct or indirect, with respect to the plan's assets or has any authority or responsibility to do so; or 3) has any discretionary responsibility in the administration of the plan. Although public sector pension funds generally are not subject to ERISA, it is helpful to note the above definition of fiduciary when considering this question.

Under ERISA, a pension plan administrators and actuaries are not normally fiduciaries. H&H does not have discretionary responsibility over the administration of the plan or its assets (the City is required to provide the final sign-off on all retirement benefit calculations), and therefore, does not accept fiduciary responsibility.

12. How will you ensure that the Plan administration remains in compliance?

H&H continuously monitors legislative changes and works with our software vendors to make sure that all calculations are completed in accordance with the latest regulatory requirements. With our 62-year history, there are not situations we have not seen. We will work with clients to listen, provide solutions, and resolve any issues as quickly as possible.

13. How do you ensure that your recordkeeping system is in compliance with all applicable rules and regulations?

Our staff of experienced administrators and actuaries keeps up-to-date on all laws and regulations ensuring that all calculations are completed in accordance with the latest requirements.

14. How quickly are any such regulatory changes reflected in the system?

Updates to our software are made approximately ten (10) times each year so most changes are made within weeks of first being requested and well in advance of any required implementation dates. Regulatory rates are updated in real time and do not require a software update.

15. Do you provide a client with plan information needed for any public reporting needs?

We will work with you to understand your needs and provide you with the appropriate information.

16. What resources do you have to obtain legal opinions, interpretations of laws, regulations, and other matters pertaining to DB plans?

We do not have a legal team on staff. Our consultants would work with your legal team or we are happy to recommend a legal firm upon request.

17. If the City wanted a detailed review conducted of your DB administration processing over a specific period, would you allow on-site access to the reviewing third-party to interview your staff members who perform the administration?

We would be willing to allow for an audit given adequate advance notice of such request and limited in scope to the existing services being provided to the City. Our existing, external audit performed in support of our annual SOC 1 exam is also available to the City.

F. Annual Plan Audit

1. What assistance do you provide to your clients for any conducted audits?

We are available to assist auditors as needed, typically billed on a per hour basis. Time spent would be dependent on the level of detail requested.

2. Please provide a listing of documentation and reporting that would be included in support of an audit.

Listing of census data, representative benefit calculations and election forms.

3. Do you offer any performance guarantees with respect to delivering information for such an audit?

We will be responsive to auditor requests and comply with requests that pertain to your defined benefit plan administration. We do not offer a performance guarantee for auditor requests.

G. Systems Capability/Hardware

1. Describe the hardware platform and software system you use to administer defined benefit plans.

H&H leases a defined benefit recordkeeping software from PensionSoft, LLC named 'DB Precision'. This system is a Windows-based program, and runs as a local install on PCs. The software uses an on premise Microsoft SQL Server database as the backend data source.

2. Was the software developed internally, leased, or purchased from another offeror? Who has the ultimate responsibility and authority to make sure the software remains current to laws, regulations, client needs, etc.?

The software is leased from PensionSoft, LLC. PensionSoft releases patches concurrent with updates and changes to laws and regulations to ensure compliance.

3. How long have you used these systems for defined benefit administration?

Innovation has always been part of our DNA. Before the internet and dating back to 1956 when the firm opened its doors, our actuaries ran calculations and distributed them via the mail, fax and email once it was developed. When others did not, we offered clients and participants a “hot line” to call with questions about their pensions. So although the services were not provided online, our clients have always appreciated the innovation and convenience we bring to the table. H&H was at the forefront of developing an online pension administration system.

Our first system was launched in 1995. Since that time, we have met client expectations by continuously examining and refining the way in which we do business. We understand our clients’

needs for efficiency, profitability and quality and we will continue to evolve the system – based on client feedback - to ensure it continues to meet rapidly evolving industry and technology changes.

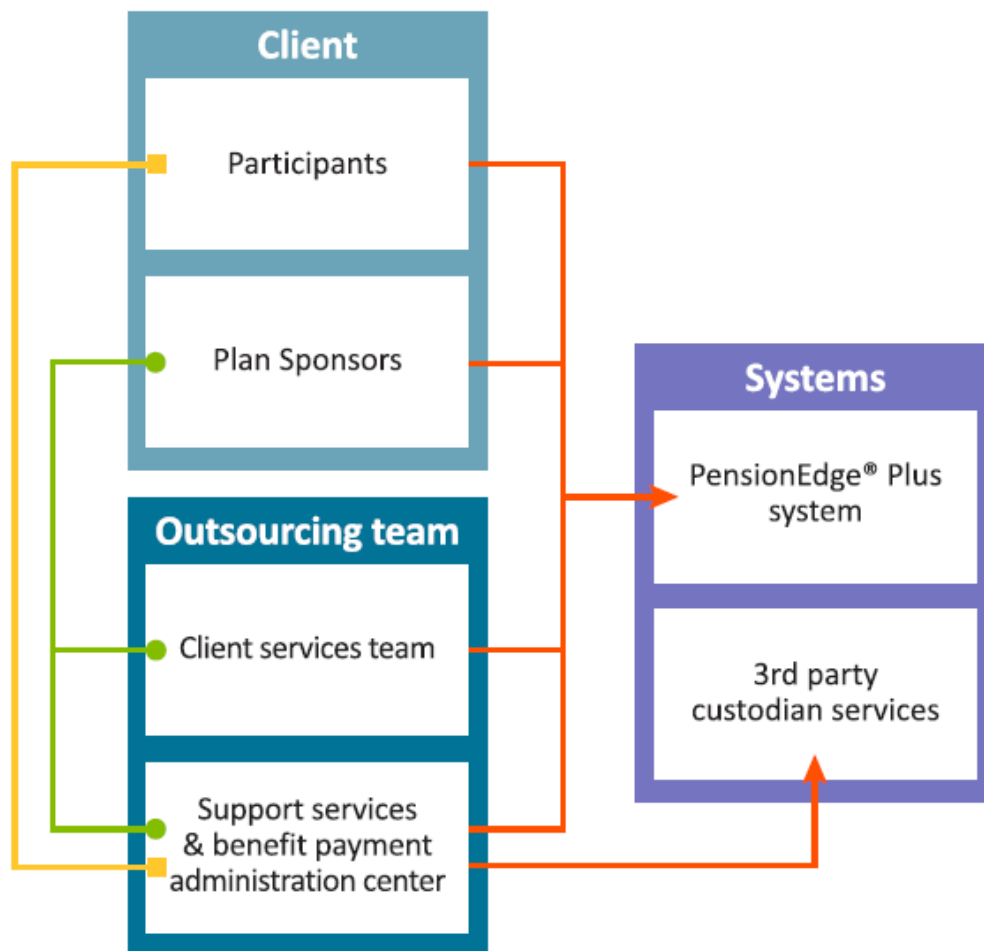
4. Are the different outsourcing services you offer fully integrated for process and systems connectivity?

Yes

5. Please provide a diagram of the integration of your systems for administration services.

The diagram below show you how our systems integrate with each other, as well as system users.

System integration



6. Are you planning any major change in the software or hardware supporting your system in the next 24 months? If yes, please describe.

We do not have any major software or hardware changes planned to our administration software or hardware in the next 24 months. However, we are upgrading our service center software to improve participant services to provide an even better experience for our clients' employees.

7. Describe your documented disaster recovery plan. How often do you test your recovery system?

Hooker & Holcombe adopted a Disaster Recovery/Business Continuity Plan to provide for the firm's recovery in the event of an emergency or disaster and for the resumption of business operations in as short a period of time as possible. The scope of the plan is to limit disruptions to business operations, including any loss of utility service (power, water), connectivity (systems), or catastrophic event (weather, natural disaster, vandalism) that causes an interruption in the service provided by H&H operations. The plan undergoes periodic testing. Such tests may be as complex as running a simulation of an actual disaster, including the restoration of data to alternate systems, or as basic as testing the employee call tree.

8. Where is your main data processing center located? Where is your back-up center located?

Our main data processing center is located at our office in West Hartford, Connecticut. All data is backed up to cloud-based centers located in Pennsylvania and Utah.

9. Where is your customer service center located? Where is your back-up customer service center?

Our customer service center is located at our office in West Hartford, Connecticut. The backup location is determined based on protocol referenced in our Business Continuity Plan (**Tab N.**).

10. Describe your maintenance and back-up procedures including daily back-ups, retention timetable and off-site back-up storage approach.

All back-up procedures are referenced in our Business Continuity Plan located in the Exhibits section of this proposal (**Tab N.**).

11. Describe any system outages within the last three years and how have they been handled? Has any liability resulted from these outages and are there any pending claims related to these outages?

We have not experienced any material system outages in the last three years. There has been no liability as a result of the outages, nor any related claims.

12. Please explain your disaster recovery plans and procedures to handle the following situations: Loss of inbound telecommunications services by the carrier; Individual system failure including the following systems: PBX, IVR, application server, case management system; Loss of power; Loss of daily backup/natural disaster.

Our Plan is in place to minimize disruption to systems and services whenever possible in the event of a disaster. Please see the Timeline of Tasks section beginning on page 4 of the Plan, included in the Exhibits section of this proposal. **(Tab P)**

13. Provide information on how short outages (2 hours or less) vs. prolonged outages (more than 2 hours) would be handled.

Fortunately, we have only experienced very brief, intermittent power outages thus far. Please refer to page 6 of the Plan, included in the Exhibits section of this proposal. **(Tab N)**

14. How often and how is your backup plan tested?

The BCP is tested periodically, at a minimum on an annual basis. Please reference the H&H BCP for additional details.

15. Please describe the most severe disaster that has occurred at your facility and explain the cause, how it was handled, and what steps were taken to prevent future occurrences.

Fortunately, the most severe disaster experienced at our facility has been intermittent power outages to the building. Outages have been short in duration and contained with universal power supplies (UPS).

16. Describe the method of maintaining plan sponsor and participant history on the system.

The system stores both plan sponsor level and participant history for a variety of customized data elements. They are both stored and can be retrieved based on historical dates. In addition, the system logs historical plan sponsor level as well as participant level changes. These data elements are customized and variable dependent on individual plan specifications.

17. Describe in detail your procedures and safeguards used to guarantee: Security for your hardware and facility; Authorized access to data; Confidentiality of data; Security for any hard copy of plan-related data or documents.

H&H takes system security very seriously. Please reference the H&H Information Security Standards ("ISS") documentation provided in the Exhibits section of the proposal. **(Tab O)**

18. Are internal controls of your system audited by an independent accounting firm on an annual or more frequent basis? If so, who conducts the audit?

Yes, we are SOC 1 Type 2 compliant and undergo an annual audit by BerryDunn (Berry Dunn McNeil & Parker, LLC).

19. How are Participant and/or Plan Sponsor requests for changes made? (e.g., online submission of beneficiary information, etc.)

The portal can be configured for editing of certain data items or requests for changes may be made through the Service Center. Certain data must follow a verification process prior to updating.

H. Technology – Systems, Software, and Database Questions

1. Systems - What technologies or functionality separates you from your competition?

We have been in the defined benefit business for over 60 years and have been on the forefront of technology. Our system is user friendly, dynamic and customizable. H&H works closely with all areas to offer the best products to our clients. Calculation output is 100% customizable based on plan complexity, plan sponsor input and overall participant experience. Prior to our current vendor, H&H utilized an in house web-based pension administration system.

2. Systems - What client browsers, versions, and configurations are and are not supported?

The following browsers are supported by the PensionEdge® Plus website:

Microsoft Edge: all versions

- Internet Explorer: version 9 or higher
- Google Chrome: version 4 or higher
- Safari: version 6 or higher
- Firefox: version 16 or higher

3. Software – Have your applications been developed using an object-oriented model? If not, what software engineering approach is used?

Yes, all applications are developed using object-oriented models.

4. Systems - Are any other applications or services which your system may be dependent on, provided by a third party offeror? If so which and by whom?

The system uses Microsoft SQL Server database software

5. Software - Who would be responsible for any customization of the systems and continued maintenance to ensure compatibility with future core application releases?

The software is leased from PensionSoft, LLC, who is responsible for customization of the system and continued maintenance/upgrades.

6. Systems - What is the capacity for number of simultaneous users for your applications?

There is no limit to the number of users that can simultaneously use our software.

7. Systems – Do your systems applications exhibit any time zone issues such as clocks being seasonally turned back or ahead? Are data capture timestamps using local (client) time or server location time?

Time stamps are recorded based upon local time.

8. Software - Does the web application generate dynamic pages?

Yes.

9. Software - Are cookies utilized? Please describe their usage. (also see Security)

Yes, we use secure cookies to record certain user preferences, setting, and session information. However, these cookies do not contain any confidential information.

10. Systems - Does the applications provide multi-lingual interfaces?

We plan to incorporate multi-lingual interfaces in 2019.

11. Systems - Describe any Electronic Data Interchange (EDI) functionality that may be in use.
Information is not transmitted using EDI.

12. Systems - Describe any batch processes and scheduling capability available for client use.

There are no batch processing capabilities currently available.

13. Software - What is the software change management process (versioning, dating, etc.)?

New versions of the software are released approximately 10 times per year and as part of each release, our vendor conducts its own testing. After each release, we then separately do our own testing within a test environment before moving a new release to production.

14. Systems - Describe mechanisms for client system upgrades, if any.

New versions of the software are released approximately 10 times per year and as part of each release, our vendor conducts its own testing. After each release, we then separately do our own testing within a test environment before moving a new release to production.

15. Systems - Do upgrades require any downtime? If so, please explain duration, etc.

There is no downtime needed during upgrades.

16. Software - What Quality Assurance measures do you have in place?

Our vendor tests all releases using a series of checks and regression testing to ensure consistency and quality. In addition, we separately conduct our own testing to further guarantee the accuracy of all calculations.

17. Systems - Describe the testing methods and processes used during the development and testing phases.

All testing is done using a series of change-specific testing (testing the various use-cases associated with a particular change), as well as regression testing (comparing previously known values to ensure that no unexpected changes result from a software change).

18. Systems - How are systems problem reports and resolutions documented?

The system generates a real time internal error log, which is monitored and addressed daily, as well as text based potential outage messages delivered to system administrators as they occur. H&H responds to the problems and works closely with our vendor, if necessary, to resolve issues immediately. System Administrators maintain issue and enhancement logs that are updated to document the date and issue/enhancement, action, priority level, status and resolution.

19. Systems - Are all application test cases and scripts that are developed for use during your testing phases available for client use and modification to facilitate the City's user acceptance testing?

We do not currently include our clients in the testing process.

20. Systems - What processes have been defined for the client business owners to be able to provide input for future functionality?

H&H takes customer feedback seriously and we value client suggestions for enhancement. When we receive a suggestion, we have a process of working with our vendor for both implementing and testing any resulting software changes.

21. What kind of system upgrades and expenditures are planned and scheduled for the next 18 months?

The web application which is currently developed using ASP.NET is moving to ASP.NET Core.

22. Database – Describe the capacity planning guidelines for initial setup and future requirements.

The software's underlying database (SQL Server) is scalable. As our customers' data requirements have grown, we have made and will continue to make any changes to both the software and hardware to ensure that it meets all needs for growth.

23. Database – What database and version is being used for your application? Please describe any and all that may be used throughout the application.

The underlying application uses SQL Server for its database. Supported versions include 2008, 2012, 2014, 2016, and 2017.

24. Database - Is data updated in real time? Are there any areas where it is not updated in real time?

Yes, all data is updated in real time.

25. Database - Does your database software package provide full text searching capabilities on the most current (real time) data?

No, searches are not done directly against the database, but rather through a third-party application that has its own search capabilities.

26. Database - What mechanism is employed for initial conversion activities?

Initial conversion follows a process in which both data and sample calculations are provided to H&H and then loaded in to our system. The pension plan is coded and all provided calculations and data are then tested against system results to ensure consistency.

27. Database - What access level restrictions apply to the data?

All data is protected using SQL authentication and can only be accessed through third-party software. Within this software, additional restrictions then further limit access to only specific users.

28. Database - Are stored procedures used, and if so, to what extent and for what functionality?

Yes, stored procedures are used to both retrieve as well as write to the database for maximum efficiency.

29. Database - Are you familiar with applicable government data protection regulations, and are all governmental data protection regulations being adhered to?

Yes, we are familiar with all applicable government data protection regulations and comply with all governmental data protection regulations.

I. Security

1. Policy - Do you have any documented security requirements for your web application?

Our vendor adheres to a series of documented security policies and requirements. However, these are not something that they are willing to share.

2. System - Are application error messages constructed consistently and without excessive information?

Yes.

3. System - Does your application prevent the browser from caching sensitive information?

Yes.

4. System - Are cookies used for authentication within the application?

No.

5. System - Do cookies contain sensitive information?

No.

6. System - Do the cookies expire? If so, after how long?

Yes, the expiration varies by the type of information stored but does not last more than 3 months.

7. System - Are the cookie paths and domain parameters restricted as appropriate for each application?

Yes.

8. System - Does each application contain its own file for authenticating users (i.e. User ID and password file)?

User authentication information is not stored in a file but rather uses ASP.NET identity.

9. System - Are all session IDs randomly generated?

Yes.

10. System - Is the session ID set to a reasonable length to protect against brute force guessing?

Yes.

11. System - Is the session ID perishable?

Yes. The session ID only exists during a portal user's session and expires on logout or after 20 minutes of inactivity.

12. System - Is the session ID sent over SSL?

Yes.

13. System - Are concurrent sessions with one session ID prevented?

Yes.

14. System - Describe how your application supports single sign-on.

SSO is not currently supported.

15. User Application Administration - Who is responsible for the administration of the User IDs for the application?

User accounts are generated by the system. Password resets may be made by the plan sponsor, administrator or participant.

16. User Application Administration - Is every user of the application (both end users and administrators) required having his or her own unique ID of which no other person knows the password?

Yes.

17. User Application Administration - How is the user's identity properly authenticated, when a change in authority or a password is reset?

Security questions must be answered. Two factor authentication can also be required.

18. User Application Administration - Does the application incorporate a "super user" type of User ID for system administration? If so, what are the privileges associated with that role?

Yes, there are "super users" who are considered administrators of the system. They create User IDs and have access to certain system settings that no other users are allowed to change.

19. User Application Administration - Does the application system prevent the use of generic User IDs or block support for multiple concurrent sessions using a single user? If not, do user administration procedures prevent creation of generic User IDs?

The system does not block multiple sessions for a single user. However, as a matter of policy, we only create one unique ID for each user.

20. User Application Administration – Does your system have permissions that allow certain groups to see and edit only specific data? Who administers these permissions?

Yes, H&H as authorized by the Plan Sponsor.

21. Administration - When short-term access is needed for a powerful resource or authority, can that access be assigned with a time limit or expiration date?

Yes, time limits and expirations dates can be set.

22. Administration - What are your format guidelines for password construction, (e.g. 8 characters, alpha-numeric, etc.)?

Configurable with minimum requirements (8 characters, 4 letters, 1 uppercase, 1 lowercase, 1 numeric, 0 symbols).

23. Administration - Do the application passwords expire after a predetermined period of time (i.e. every 60 days for normal users, every 45 days for “super users”) or can they be configured?

No, the applications do not expire after a specific period of time.

24. System - Are all passwords required for system to system communication “changeable” (i.e. no hard-coded passwords)?

Yes.

25. Encryption - What methods are employed to encrypt and protect confidential or sensitive information (passwords, pass phrases, other personal information) as it transits from browser to server and back?

All information is transmitted using an encrypted SSL connection and SHA-256 hash algorithm.

26. Encryption - Does anyone have the capability to decrypt any of the encrypted information that is captured and stored by the application? If so, is the capability restricted to personnel that have a relevant business need to know access and view the data?

There is no way to decrypt any encrypted information. The only way to access stored information is through a third-party application, access to which is limited to certain users.

27. Encryption – Do you utilize a Secure File Transfer Protocol (SFTP) when exchanging information with the client?

When exchanging information directly with our clients, we use a third party product, ZixMail. When information is transmitted through our web portal, this information is transferred securely through an SSL connection.

28. Facility - Please provide information about the security of the facility where the participant data will reside. Comment on the security of key data elements such as SSNs, dates of birth, etc. and the steps maintained within facility and within your administration unit to protect it.

H&H maintains physical security and accountability through the use of locked offices and rooms, visitor registers at the main entrance and server room, and a policy that all visitors must be escorted at all times. H&H requires strong passwords to access our internal network. Passwords must be changed on a regular basis. H&H policy requires that passwords not be shared with anyone. Access to sensitive data is limited to those who need this information to perform their roles.

H&H utilizes procedures to ensure the availability of our data which include nightly backups of all

data and applications, and offsite storage of critical applications and data. The reliability of backup procedures and media are verified on a frequent basis. H&H ensure data integrity by implementing industry standard firewalls, anti-viruses, and intrusion detection on all servers, desktops and laptops. All computers are patched on a scheduled basis to prevent security issues. IT monitors audit logs and external sources to remain aware of emerging threats.

H&H employs InfoShred for paper and media disposal. InfoShred is National Association for Information Destruction (NAID) AAA certified and maintains stringent security practices. InfoShred complies with all requirements of the Health Insurance Portability and Accountability Act of 1996 (HIPAA) the Gramm Leach Bailey Act (GLB) and the Fair and Accurate Credit Transaction Act (FACTA). Media including diskettes, CD's, and computer hard drives are destroyed by shredding and melting. H&H staff audits InfoShred procedures on a regular basis.

29. Audit - Does the application system record all unauthorized or unsuccessful attempts to log on to the system? Can these be viewed by the client?

Yes, however, the number of invalid attempts may not be viewed by our clients. Rather, clients can only see the locked/unlocked status of user accounts.

30. Audit - Does the application lock out User IDs after a predetermined number of invalid logon attempts?

Yes, after 5 invalid login attempts, the account is locked.

31. Audit - Does the application log users off or require re-authentication after a predetermined period of inactivity? If the application does provide automatic timeout functionality, is the timeout period configurable by the client?

Automatic timeouts occur after 20 minutes of inactivity. This is not configurable by the client.

J. Plan Implementation

1. Describe your approach to implementing changes to business processes, systems and applications that may be required by clients.

We are always happy to assist our clients with business process, system or application revisions as permitted by the system or the process. If a change should be needed, we will discuss the change with you and determine what would be required to execute the requested change.

2. Describe a typical implementation of your administration services (including expected duration).

Our clients benefit from our time-tested implementation approach. Typically, we would work with your existing actuary to obtain valuation data. However, since BERS is currently an actuarial client,

we have most of your data so minimal time will be spent working with an external vendor to obtain any additional information.

A typical implementation is completed in nine to twelve months. However, we have found that the timeline is on the lower-end of the spectrum for those clients who provide clean data. Most of the portal is configured to your specifications. Your implementation team will work with you to configure fields, reports and other portal features ensuring they meet your needs and the needs of your participants. Once the system is programmed, we will fully test it to ensure that it performs to your specifications and conforms to the plan document.

To ensure that your participants understand the value of the benefit BERS is providing, we will work with you to develop participant communications. Although the system is easy-to-use and offers online guidance, your staff will receive hands-on portal training. Participants may reference online User Guides to help them navigate the portal and they will also have access to knowledgeable service center representatives equipped to answer their questions, help complete forms, assist with website navigation, and provide support where needed.

The timeline below provides you with additional implementation information.

TIMELINE

The following timeline outlines specific tasks that need to be completed before the system goes “live.” Because each municipality is different, we will work with you and your staff to identify achievable dates for each task of the implementation process.

Date	Task	Responsibility
	Valuation data is reviewed & data questions are sent to BERS	H&H
	Answers to data questions provided to H&H	BERS
	After finalizing data, detailed transition timeline sent to BERS	H&H
	Send PensionEdge® Plus Portal Authorization Form	H&H
	Return signed PensionEdge® Plus Portal Authorization Form	BERS
	Complete programming of benefit calculator	H&H
	Finalize benefits forms package	H&H/BERS
	Select features for PensionEdge® Plus	H&H/BERS
	Provide Plan Sponsor logins for PensionEdge® Plus	H&H

	Train Plan Sponsor on PensionEdge® Plus web portal	H&H
	Testing of PensionEdge® Plus web portal benefit calculator	H&H/BERS
	PensionEdge® Plus web portal with benefit calculator ready for participants	H&H
	Mail PensionEdge® Plus welcome letters to active and terminated vested participants (and retirees) to introduce web portal and service center	H&H

DATA TRANSMISSION

As a current actuarial client, we already have your plan data and you are already familiar with our secure data transfer procedures. During the implementation meeting, we will discuss methods for collecting any incomplete or additional data needed. For example, clients that utilize PensionEdge® Plus, either for an online benefit calculation or as part of an outsourcing solution, often provide payroll feeds for active data rather than completing a full data request. As a result, we will tailor the data request to meet your needs.

We will send that data request in advance of the valuation date. Data can be transferred to us by email using the H&H Secure Message Center to ensure the security of information. After the data is received, we will review it for reasonableness and reconcile it with the prior valuation.

QUALITY CONTROL



We take quality control very seriously. Our firm is organized into three service units with firm-wide quality control and unit scheduling procedures. We use an internal WorkTrack to manage workflow, ensuring that all work is properly reviewed and all deadlines are met.

Additionally, our firm has successfully completed the SSAE-16 examination, ensuring trust and confidence in our service delivery processes and controls.

3. Describe your standard implementation team structure.

One of the elements of our success is providing our clients with exceptional service. As a current client, your service team will not change. You will continue to work with Steve Lemanski, FSA, FCA, MAAA, practice leader and consulting actuary. Steve will be supported by Cathleen Falconer, pension administration team leader. Rob Lessard, ASA, ACA, MAAA, pension team leader and Laura Hanson, actuarial specialist. Both Cathy and Laura have been an integral part of our pension outsourcing program since its inception. Additionally, your service team will be fully involved with the implementation process to ensure that all aspects of setting up your outsourcing portal are seamless.

Your transition team will be led by Cathleen Falconer who will continue to serve on your ongoing service team once the transition is complete. Cathleen will be supported by Robin Lane, a 25-year veteran who has a wealth of knowledge and experience. Both Cathleen and Robin will be supported by additional staff required to complete the transition as scheduled.

Bios for those individuals named above are provided in the Exhibits section of this proposal.

(Tab Q)

4. What is the extent of your actuarial support if it is needed during implementation of DB plans for such things as actuarial equivalent calculations, etc.?

We are always available to assist our clients with special requests or ad hoc projects. Such projects are based on hourly rates which are provided in the separate cost proposal. Before beginning special or ad hoc projects, we would provide you with an estimate of anticipated project costs based on the project scope. Work would begin as soon as the estimate is approved.

5. Describe the resources and expected time commitment that the City will need to provide for implementation.

A typical transition can take from nine to twelve months to complete. A representative from the City would be required to attend weekly meetings to determine system set-up, fields, access rights, etc. to ensure the portal meets your specific specifications. A timeline outlining specific tasks that would need to be completed before the system goes “live” is provided in the proposal. Because each municipality is different, we will work with you and your staff to identify achievable dates for each task of the implementation process. Our goal is to make the implementation process as simple and efficient as possible, for both the plan sponsor and the participants.

Date	Task	Responsibility
	Valuation data is reviewed & data questions are sent to Burlington	H&H
	Answers to data questions provided to H&H	Burlington
	After finalizing data, detailed transition timeline sent to Burlington	H&H
	Send PensionEdge® Plus Portal Authorization Form	H&H
	Return signed PensionEdge® Plus Portal Authorization Form	Burlington
	Complete programming of benefit calculator	H&H

	Finalize benefits forms package	H&H/Burlington
	Select features for PensionEdge® Plus	H&H/Burlington
	Provide Plan Sponsor logins for PensionEdge® Plus	H&H
	Train Plan Sponsor on PensionEdge® Plus web portal	H&H
	Testing of PensionEdge® Plus web portal benefit calculator	H&H/Burlington
	PensionEdge® Plus web portal with benefit calculator ready for participants	H&H
	Mail PensionEdge® Plus welcome letters to active and terminated vested participants (and retirees) to introduce web portal and service	H&H

6. What techniques are used to ensure that data integrity and data quality are a part of the implementation plan?

As a current actuarial client, we already have your plan data and you are already familiar with our secure data transfer procedures. During the implementation meeting, we will discuss methods for collecting any incomplete or additional data needed. For example, clients that utilize PensionEdge® Plus, either for an online benefit calculation or as part of an outsourcing solution, often provide payroll feeds for active data rather than completing a full data request. As a result, we will tailor the data request to meet your needs.

We will send that data request in advance of the valuation date. Data can be transferred to us by email using the H&H Secure Message Center to ensure the security of information. After the data is received, we will review it for reasonableness and reconcile it with the prior valuation.

7. Give examples of recent transitions by the team that will be assigned, providing at least one situation that included significant “Lessons Learned”.

Although we have been providing online pension administration services for more than a decade, technology is rapidly changing and quickly evolving the service as it gains momentum in the marketplace.

We are constantly improving the system and feel that “lessons learned” help us to provide a better product for our clients and an enhanced experience for their participants. We knew from the beginning that involving clients in the development and beta-testing of the system was imperative to ensuring that the features would be beneficial to them and their participants. That philosophy continues today, and we regularly gain client feedback and use that information to enhance the system.

We have also learned to ask more probing questions up front regarding a client's current payment administration and documentation, such as whether current state tax forms are on file, are appropriate tax filing forms completed for foreign address participants, are payments split among multiple delivery directives, etc.

K. Historical Data Capture and Cleaning

1. Describe your typical implementation and your migration process.

Our clients benefit from our time-tested implementation approach. Typically, we would work with your existing actuary to obtain valuation data. However, since BERS is currently an actuarial client, we have most of the required data so minimal time will be spent working with an external vendor to obtain any additional information.

Since much of the portal is configured to your unique specifications, a typical implementation is completed in nine to twelve months. Your implementation team will work with you to configure fields, reports and other portal features ensuring they meet your needs and the needs of your participants. Once the system is programmed, we will fully test it to ensure that it performs to your specifications and conforms to the plan document.

To ensure that your participants understand the value of the benefit BERS is providing, we will work with you to develop participant communications. Although the system is easy-to-use and offers online guidance, your staff will receive hands-on portal training. Users may reference online *User Guides* to help them navigate the portal. They will also have access to knowledgeable service center representatives equipped to answer their questions, help complete forms, assist with website navigation, and provide support where needed.

TIMELINE

The following timeline outlines specific tasks that need to be completed before the system goes “live.” Because each municipality is different, we will work with you and your staff to identify achievable dates for each task of the implementation process.

Date	Task	Responsibility
	Valuation data is reviewed & data questions are sent to BERS	H&H
	Answers to data questions provided to H&H	BERS
	After finalizing data, detailed transition timeline sent to BERS	H&H
	Send PensionEdge® Plus Portal Authorization Form	H&H

	Return signed PensionEdge® Plus Portal Authorization Form	BERS
	Complete programming of benefit calculator	H&H
	Finalize benefits forms package	H&H/BERS
	Select features for PensionEdge® Plus	H&H/BERS
	Provide Plan Sponsor logins for PensionEdge® Plus	H&H
	Train Plan Sponsor on PensionEdge® Plus web portal	H&H
	Testing of PensionEdge® Plus web portal benefit calculator	H&H/BERS
	PensionEdge® Plus web portal with benefit calculator ready for participants	H&H
	Mail PensionEdge® Plus welcome letters to active and terminated vested participants (and retirees) to introduce web portal and service center	H&H

DATA TRANSMISSION

As a current actuarial client, we already have your plan data and you are already familiar with our secure data transfer procedures. During the implementation meeting, we will discuss methods for collecting any incomplete or additional data needed. For example, clients that utilize PensionEdge® Plus, either for an online benefit calculation or as part of an outsourcing solution, often provide payroll feeds for active data rather than completing a full data request. As a result, we will tailor the data request to meet your needs.

We will send that data request in advance of the valuation date. Data can be transferred to us by email using the H&H Secure Message Center to ensure the security of information. After the data is received, we will review it for reasonableness and reconcile it with the prior valuation.

2. Do you have data capture and cleaning tools that you would utilize and have available to support the City in capturing the data for this project? If so, describe your data “cleaning” tools and your data “capture” tools.

We store all our participant data in a relational SQL database that is used for both valuation data and in assisting the City in administrative matters (including performing and reviewing benefit calculations, preparing benefit statements, storing participant and plan sponsor documents, and preparing "buy-back calculations"). When data is loaded, it is validated to make sure it is reasonable and consistent. This process often raises questions that we immediately discuss with the City to resolve.

3. Describe your typical approach to capturing and cleaning historical data.

We store all our participant data in a relational SQL database that is used for both valuation data and in assisting the City in administrative matters (including performing and reviewing benefit calculations, preparing benefit statements, storing participant and plan sponsor documents, and preparing "buy-back calculations"). When data is loaded, it is validated to make sure it is reasonable and consistent. This process often raises questions that we immediately discuss with the City to resolve.

4. What role will the City be required to play in the collection of historical data? Will you work directly with the City's current DB administration outsourcing offeror to facilitate the data transfer process?

Since we are your current actuary, you are already familiar with the ease of our data transfer process. We will work directly with your current defined benefit administration team to facilitate an efficient collection and transfer of historical data.

5. If it is necessary for you to become involved, please provide separate pricing for your firm to be involved in the capture and cleaning of the City's historical data.

We are always available to assist our clients with special requests or ad hoc projects. Such projects are based on hourly rates provide in the cost proposal. Before beginning special or ad hoc projects, we would provide you with an estimate of anticipated project costs based on the project scope. Work would begin as soon as the estimate is approved.

6. What are the City's options in "going live" with your outsourcing solution if a data capture/cleaning project is needed and is not complete?

Although we do not recommend this process, BERS would need to authorize the use of estimated data until scrubbed data becomes available.

L. Customer Service Center

1. Where are your customer service center(s) located? Where are your back-up customer service center(s) located? Please indicate the location and back-up location that would service the City's participants. Does the client have any choice in which customer service center services their participants?

We do not have multiple offices and layers of management, which enables us to keep our prices competitive. All of our services are delivered from our office located in West Hartford, Connecticut. Should the facility be closed due to inclement weather or other unplanned circumstances, service center employees have the ability to securely work from any location with an internet connection, ensuring they can deliver continuity of service for our clients and their employees.

2. What are the standard hours of operation of your customer service center(s)? Is this flexible if the City requests different hours?

Staffed with highly-skilled and knowledgeable professionals, the service center provides live assistance to participants Monday – Friday from 8:30 am to 4:30 pm ET. Voice mail and email are also available 24/7 for participants' convenience. All calls and emails are returned as quickly as possible, but never later than the following business day.

Because most of our clients are in the Northeast region of the country, we have not found it necessary to extend service center hours.

3. What is your turnover rate for customer service representatives?

The turnover rate for our customer service representatives is very low. One employee has left the firm; two other employees advanced to other roles within the company.

**4. What are your educational requirements for your customer service representatives (CSRs)?
Focus on call center skills, use of call center equipment, benefit training, HR training,
customer service, problem resolution, and other operator training areas.**

Our service center representatives require the following:

- Minimum of Associates degree
- ASPPA DB-Administration Certificate (DB-A) required
- May have FINRA exams and licensing, but not required
- Extensive training on call center technical tools (i.e. navigation and use of all databases, use of payor vendor sites, phone system, Excel, Word, PensionEdge® Plus web portal)
- Service center best practice policies and protocol practiced daily with changes and updates clearly communicated and documented
- Specialized training for individual client plan provisions and processes
- Service center analyst given all the tools needed for independent problem resolution, but easy access to additional support from the support services center and actuarial services teams to assist with resolution
- New service center analysts spend eight weeks in training, learning all aspects of support services center tools, client specific details. They also have two weeks of training in a side-by-side environment with call mentoring before taking live calls.

5. What languages are your CSRs capable of handling?

Our highly-trained and experienced representatives have access to the tools they need to quickly and accurately provide participants with the answer they seek. Multilingual services are available through a translation service to assist non-English speaking participants. Within a minute or two, our representatives can conference-in a translator to assist a non-English speaking participant in nearly any language.

6. Is your systems solution fully integrated with the customer service function? What workflow tools do you have in place for escalation of calls and routing of process? Are your clients able to access your workflow tools to see the current status of a request?

We are currently working on implementing a new workflow system that will better enable us to assign and update a start-to-completion status to each email inquiry so we may monitor pipeline work and work flow. The new workflow system will also allow us to automatically populate the service center “cockpit” or viewing screen with pertinent participant information pulled from the operating systems. There are no plans to allow client access to that workflow process. However, clients have access to the WorkTrack tool on the portal to monitor progress for individual benefits.

7. Please provide statistics concerning typical customer service levels for your clients – average wait time, frequency of abandoned calls, average call length, average volume on standard and peak periods, etc.

Based on YTD as of 12/11/2018:

Average wait time - target is to answer call within 20 seconds, average is 9 seconds

Frequency of abandoned calls - on average 4 abandoned calls per month with an average abandoned time of 1 minute 35 seconds

Average call length - 5 minutes 26 seconds

Based on October 2018 calls:

Average call volume during peak periods - peak call hour tends to be early afternoon each day Monday through Friday, with peak call volume during that hour being 10 to 13 calls. Daily total call volume averages 45 to 55 calls.

8. Describe your training process to bring on a new CSR for a client’s plan. How long before a new representative will commence dealing with “live” calls? Are clients involved in testing new CSRs?

New service center analysts spend approximately eight weeks learning all aspects of Service Center tools and client specific details, including side-by-side call mentoring, before taking live calls. To date, clients have not requested to be included in testing of our service center representatives. We are open to the concept should a client wish to be involved in the process.

9. How do you monitor and maintain quality standards on customer service calls?

All participant calls with service center analysts are recorded and routinely reviewed, at random, to ensure best practices and expected protocol is being followed. The Service Center Supervisor is in the service center on-call during operating hours to observe and support incoming calls. For unique client circumstances, such as a lump sum window offering, the service center analysts are provided with scripted responses to anticipated caller questions.

10. How do you increase CSR staffing for peak periods?

All service center analysts are cross-trained to respond to participant inquiries from all clients. Peak calling periods are identified and appropriately staffed to continually maintain our customer service

levels. Additional service center coverage is arranged for special projects with anticipated increased call volume.

11. Do you have different levels within the customer service function for call escalation? Under what circumstances is a call referred to a plan administrator outside of the customer service center?

All inquiries requiring escalation are referred to the Support Services Supervisor for communications and resolution. If any inquiry remains unresolved to the satisfaction of the participant and the Supervisor, the client Consultant is made aware of the situation for review and resolution. All participant communications are documented via recorded calls and/or written communications that are stored to the participant record. All service center analysts are promptly briefed on escalated situations to ensure appropriate sensitivity is exercised.

12. Are all calls recorded? Are all callbacks by customer service representatives and plan administrators recorded? What is the accessibility of these recordings by the client and how long are they retained?

All incoming and outgoing calls with service center analysts are conducted on recorded lines. If a call should ever need review outside of routine service center quality control practices, a client may request access to a specific individual's call recording file. Call recording files are retained for three years.

13. Are client assigned staff dedicated to a specific client or do they work on multiple client assignments? How are your staff supported and phone coverage maintained for periods of vacation, FMLA, disability, etc.?

All service center analysts are cross-trained to respond to participant inquiries from all clients. They utilize detailed plan specific guides to appropriately respond to questions involving unique plan provisions and processes. Additionally, each client is assigned a primary service center analyst who is responsible for the daily administration of benefit payments, monthly payment reconciliation, and follow-up on non-routine processing items. A service center analyst may have multiple client assignments with responsibilities balanced to enable consistent high quality output. Cross-trained service center analysts allows for flexibility and continuity to cover planned vacations, as well as unplanned coverage needs.

14. Will the City have a dedicated toll free 800 phone number for the City's participants to use?

No, we utilize one toll free 800 phone number for our service center callers. Our service center team is crossed trained to service all of our outsource clients. Current volume for a single client, at this time, does not warrant the need for a dedicated 800 number and staff. All current outsource clients use our standard call menu.

M. Automated Voice Response System (VRS)

1. Please provide a phone number and instructions on how to access a demonstration of your automated VRS capabilities available to DB participants.

As explained under A-1.5 Exceptions, H&H does not offer a VRS for its defined benefit clients. VRS systems were very popular before the internet surge. Because the system is online, participants can render unlimited retirement scenarios, change their PIN, request a forms package, and much more from any location that has an internet connection. Those who may be technology-shy or prefer to speak with a person also have access to live representatives Monday-Friday from 8:30 am – 4:30 pm ET. Voice mail and email are also available 24/7 for participants' convenience, and calls and email messages are responded to within one business day.

2. Describe the services available through your automated VRS.

Please see M1.

3. Do you have a back-up center for the VRS? If yes, where is it located, and is it in continuous operation?

Please see M1.

4. Describe the PIN management process including timing of assigning new PIN at the initial conversion and upon new plan enrollment.

Please see M1.

5. At what point in the call can a participant elect to move from the VRS to an operator?

Please see M1.

6. What DB transactions can be processed through the voice response system (i.e., PIN changes, address changes, etc.)?

Please see M1.

7. Is the VRS fully capable of generating all the necessary administrative forms to handle retirement requests, beneficiary change requests, etc.?

Please see M1.

8. Do any VRS transactions generate written confirmations? Can Participants request confirmation statements be e-mailed to them?

Please see M1.

9. Does your VRS capture and retain information regarding the confirmation of a participant request?

Please see M1.

10. In a situation whereby a participant calls the VRS but does not properly provide the needed information to complete the needed transaction, do you retain a record that such a call was placed but not executed?

Please see M1.

11. How quickly is the VRS updated after changes are performed?

Please see M1.

12. Can both active participants and retired participants perform change requests through the VRS? Can you provide a feedback report back to the City to update their records for such changes?

Please see M1.

13. Does your VRS accommodate non-English speaking participants? Please describe the accommodations.

Please see M1.

14. Does the VRS accommodate hearing/speech impaired participants? Please describe the accommodations.

Please see M1.

15. Describe how data is secured within the system (i.e., PIN, audit trail, changes, confirmations).

Please see M1.

16. Describe the security through which a participant passes to use your voice response system (e.g., recorded lines, personal identification numbers, and confirmation notices).

Please see M1.

17. Describe any security breaches that resulted in improper access through your VRS within the last three years.

Please see M1.

N. Reporting and Participant Communications

1. Describe the standard reporting package that you would provide the City (provide samples).

Since the portal is fully customized, your implementation team will work with you to create reports specific to your needs. Basically, any database item can be used to generate a report. Typical reports requested by clients are included in the Exhibits section of the proposal. **(Tab K)**

2. Will the City be able to generate these reports and other reports on-line?

Yes, the system has a robust reporting feature. In addition to standard reports, your implementation and service team will work with you to customize reports that suit your specific needs.

3. What is the standard timeframe for providing each plan sponsor report after the reporting period ends?

Reporting periods vary depending on client need. Reports are typically provided within two weeks. Quarterly exception reports that identify any unresolved data issues are also provided.

4. What types of demographic participant data will you be able to provide?

The system is fully customizable. Basically any database item can be captured, manipulated and reported out. Your implementation team will work with you during the transition phase to determine the most efficient way to present you with the data points you seek.

5. Describe your flexibility to produce ad-hoc plan level reports.

The system is fully customizable. In addition to standard reports, we will work with you to customize reports that suit your specific needs.

6. Describe your standard participant statements and documents (provide samples).

We provide participants with an easy-to-understand statement, both in electronic and hard copy formats. We also have a variety of participant communication materials, as well as online system User Guides for both plan sponsors and participants. User Guides are provided online in the portal demo site: hhconsultants.com/BERS. Statements and other communication examples can be found in the Exhibits section of the proposal. **(Tabs I and J)**

7. Describe your customization capabilities for branding participant statements.

Standard statements can be branded with your logo and customized with messages for your participants. We also work with clients to produce custom-designed statements configured around their unique needs.

8. Do you have the flexibility to include a section for customized messages from the City on participant statements?

Yes, standard statements currently have a dedicated area for customized messaging. We produce custom-designed statements for some of our clients that range from simple one-sided, single page statements to booklet-style statements. Samples are provided in the Exhibits section of this proposal.

9. Can you include other printed information, prepared by the City, with the mailing of statements to participants? If so, please verify that this service is available at no additional cost.

We have the ability to include other printed materials provided by the City with participant statements. The expense for this service is passed along to our clients at cost. Pricing is based on size, quantity and weight of the inserted items. We will obtain a price quote and secure your approval before any work begins.

10. Can statements be provided to participants on an on-demand basis?

Annual statements are stored on the participant record within the system, making it available to the participant at their convenience.

11. Briefly describe your background and experience in providing communication and education programs.

H&H has been providing communication services for municipalities since we opened our doors in 1956. Our vast experience enables us to provide communication materials that are clear, concise and easy for participants to understand. The materials we provide are not sales-focused. Rather, they are designed to help participants take charge of their retirement now, so they are prepared for tomorrow. We also have a full-time dedicated retirement education specialist who can deliver on-site, in-person group and one-on-one education sessions, as well as live and taped webinars. We are in the process of updating the Knowledge Center on our website to add additional resources such as videos, additional calculators and other learning materials that benefit participants. We believe that it's never too late to stop learning about one's retirement options and are dedicated to helping participants and plan sponsors continuously enhance their knowledge base.

12. How long have you been providing communication services to the public sector?

H&H has been providing communication services for municipalities since we opened our doors in 1956. Our vast experience enables us to provide communication materials that are clear, concise and easy for participants to understand. The materials we provide are not sales-focused. Rather, they are designed to help participants take charge of their retirement now, so they are prepared for tomorrow.

13. Describe separately your initial and on-going communication and education program (including printed material, visits, training, etc.). If the program is tailored to a specific plan sponsor need, identify the critical issues to be determined in designing such a program.

Initial communication is outlined in a welcome letter that contains the web address of our pension portal which has all the information a participant would need to begin their pension administration experience from new entrant to benefit commencement and payment. H&H offers plan sponsors on site or web based training depending on their level of need.

Our goal is to help your participants better understand the value of their pension plan. Programs can be personalized to fit a plan sponsor's needs. Any additional formal communication and/or education training can be discussed and tailored based on plan sponsor need and offered for an additional cost.

14. Provide samples of initial and on-going communication and education materials.

Sample communication materials are provided in the Exhibits section of this proposal. **(Tab I)**

15. Identify the key elements provided as part of a standard communication and education program package.

Initial communication is outlined in a welcome letter that contains the web address of our pension portal which has all the information a participant would need to begin their pension administration experience from new entrant to benefit commencement and payment. H&H offers plan sponsors on site or web based training depending on their level of need.

Our goal is to help your participants better understand the value of their pension plan. Programs can be personalized to fit a plan sponsor's needs. Any additional formal communication and/or education training can be discussed and tailored based on plan sponsor need and offered for an additional cost.

16. Will you provide participants with onsite, group education and retirement planning sessions or pre-retirement seminars on an on-going basis? (Yes/No). If yes, please list the titles of the subjects that are covered in your program. No description necessary.

Yes, we can provide participants with onsite group education and retirement planning sessions through our pension consultants and/or investment advisory group, depending on the topic. The cost of onsite group training is provided in the Cost Proposal submitted separately.

Your relationship manager can help you structure an education program that meets the needs of your participants and committee. We offer a variety of webinars/seminars including:

Participant Learning

- Understanding your pension statement
- Planning today for a better tomorrow
- Retirement viewpoints for entry-level employees
- Retirement viewpoints for mid-level employees
- Heading toward retirement
- Social Security: What you need to know before you collect
- Investing basics and your 401(k)
- Saving for College
- Estate Planning

Executive and Fiduciary Management

- Downturns and Recoveries
- Global Investing
- Saving and Investment for Retirement
- How Much Will You Need at Retirement?
- How to Read a Mutual Fund Performance Report
- Long-term Investment Performance
- Portfolio Diversification
- Portfolio Performance
- Principles of Investing
- Retirement Incomes
- Risk & Volatility
- Target-Date Funds
- Understanding Deferred Annuities

Materials to promote educational sessions with your employees include posters, flyers, payroll stuffers and email messages are also offered to gain maximum exposure for educational events.

Additionally, all participants will have access to the **Knowledge Center**, which is housed on our website (hhconsultants.com). The **Knowledge Center** provides plan sponsors and their participants with access to a compilation of articles, brochures, newsletters and educational materials designed to help your participants understand all aspects of investing and saving. We are currently updating the site to divide information into sections specifically for participants and plan sponsors, making the site easier to navigate. The new site will have a variety of videos that provide information quickly and easily. Additionally, our easy-to-use online calculator can help participants when making important choices about how to best use their money to achieve financial goals.

Our goal is to provide our clients with robust, informative tools that are not sales focused. Instead, we choose to focus our materials on ensuring that our clients and their participants better understand the steps they need to take to prepare for retirement.

17. Do you offer video or web-based educational programs to participants and retirees? (Yes/No). If yes, please list the classes/courses currently available. No description necessary.

Yes, all seminars can be offered via webinar and some are offered via video.

18. Do you provide information to Plan participants regarding options on distributions? Describe any services or programs you provide for participants leaving the Plans.

Optional forms of distribution are provided in the retirement benefit election forms package sent to plan participants. Service Center representatives are available to answer participant's questions regarding form completion.

19. When was the content and look of your standard materials last modified?

The firm was rebranded in 2014 and all materials were reviewed and updated at that time. However, just as the industry is constantly changing, we are constantly reviewing and updating materials to ensure they continue to provide current and relevant information.

20. Do you create all of your communication and education materials in-house or through third parties? If so, fully disclose.

H&H is proud to have an in-house marketing team and a full-time education specialist who work together to produce various materials focused on financial wellness, retirement trends, legislative updates and other issues affecting the industry. All actuarial communication materials such as statements, participant letters, newsletters and client updates are created via in-house experts. Depending upon the nature of the project, we may turn to external printing, fulfillment or mailing partners.

Our website also has the **Knowledge Center**, which was developed in 2014 to provide useful information for plan participants and sponsors. We are continuously adding new content, and are currently rebuilding the site so it has separate vaults for both sponsors and participants, helping them more easily find the information they seek. Much of the material was developed by in-house experts; some of it was collaborated on with industry partners such as Schwab and Advicent. As we move into 2019, the **Knowledge Center** will be enhanced with additional videos, calculators, and other online tools that will help participants gain the knowledge they need to better plan for their retirement.

21. Describe the City's role in the communication and education process.

We will work with the City to determine what educational needs are required and develop any participant related communications.

22. To what extent can the City customize communication and education materials (e.g., plan name, logos)? Please state if there would be additional charges for customizing or editing these communication materials.

Yes, we can customize some communication materials such as letters, envelopes and statements with the BERS logo, plan name, fonts, etc.

We are also able to provide clients with customized educational materials. This typically includes the client logo, plan name and/or contact information if desired. We would provide material to the plan sponsor as a PDF which can then be uploaded to the client's intranet. There would be no charge for the customization of communication materials created in-house; the cost of printing, fulfillment and mailing would be passed through to the client at cost. Customization of education materials would be charged using our standard hourly rates. Before beginning special or ad hoc projects, we would provide you with an estimate of anticipated project costs based on the project scope. Work would begin as soon as the estimate is approved. Our 2018 hourly rates are provided in the cost proposal.

23. Are you willing to provide customized surveys to assess the success of the education program? (Yes/No).

Yes, we currently offer this to clients. We also offer a participant pre-education survey to gauge participant interest in certain topics, making sure that our clients are providing their participants with topics of interest to them.

24. How do you propose staffing for employee education seminars? Please provide your rationale for determining the appropriate staffing for the Plan.

Staffing would depend upon the number of sessions, and whether they would be concurrent or not. We will discuss educational sessions logistics with your during the implementation phase.

25. What is your annual cost associated for each dedicated service representative?

Service Center staff are not dedicated to one client.

26. How many field service representatives are you assigning to the Plan? Will they be 100% fulltime dedicated representatives? Where will they be located for the City?

We do not have multiple offices which enables us to keep our pricing competitive. Your service team will be located in West Hartford, Connecticut.

27. Will you need to hire any additional staff in order to service the City's account?

No, we are fully staffed to manage your pension plans and provide responsive services for your participants. As your current actuary, we already know your plans and operational procedures. This means no learning curve or waiting for others to get "up to speed."

28. Briefly describe the credentials and related experience of any local service representatives who will be assigned to the City.

All services are provided for our office in West Hartford, Connecticut. Your service team will be led by a practice leader, credentialed actuary and owner of the firm. He will be supported by a credentialed actuary, the pension administration team lead and a full team of actuarial experts who are knowledgeable and experienced with serving municipal accounts. Your team will be responsive to your needs and provide you and your participants with expert advice. You will be a priority in our service pipeline.

29. How many other plans' accounts will the City's assigned representatives be responsible for?

On average, each actuarial services team member services approximately 23 client accounts. The total number of account relationships for the actuarial services team servicing this account is 48. The average number of clients for each service center team member servicing this account is 10, with a total of 50.

30. Will the representatives assigned to the City's Plan be employees of your firm?

Yes, due to possible security breaches we do not outsource any of our actuarial work. All representatives assigned to your team are full-time employees of H&H, and will be dedicated to providing you with exceptional service.

O. Participant Internet Services

1. Provide an Internet address and instructions on how to access a demonstration of your Internet capabilities for both the participant and plan sponsor.

Accessing PensionEdge® is fast and easy. Once you are a client, you and your participants can visit www.pensionedge.com and choose the DB PensionEdge® PLUS login links. For your convenience, we have set up a landing page that provides you with logons strictly for BERS use. You can also share the URL below with others in your organization who may be part of the demo process.

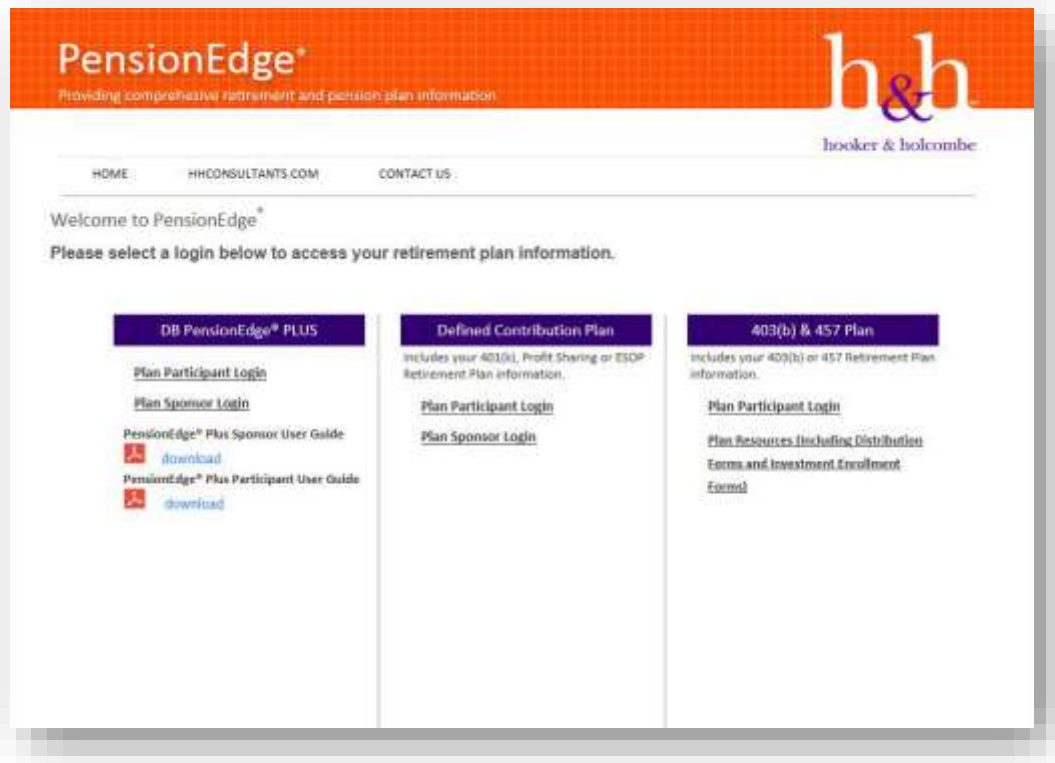
URL: www.hhconsultants.com/BERS. Please use the following logons to access the system:

- Plan Sponsor User ID: **SpD1235** Password: **DemoClient**
- Plan Participant User ID: **DoJ2346** Password: **ztpenv**

The portal is user friendly and easy to navigate. Once you have entered the site, click on the



“home” icon to display the portal menu and use the “?” icons to help you navigate the site.



2. Describe in detail your Internet capabilities. What types of web-based Internet services do you provide to Plan participants?

Technology is also an important component in delivering quality service to our clients. Offering a high level of customization and configurable security, with no hardware or software to purchase, Pension Outsourcing and PensionEdge® Plus are cost effective choices for municipalities seeking efficiency. **Pension Outsourcing** is driven by PensionEdge® Plus, a game changing solution for defined benefit plan administration. This web-based portal, based on years of experience and client feedback, offers both plan sponsors and participants a comprehensive tool for viewing, managing and storing all plan related information. In addition to the many features provided to plan sponsors, our pension outsourcing program also puts pension information at participants' fingertips. Self-service benefit projections, password resets, uploading personal documents, retrieval of documents such as Benefit Statements and Plan Summary, and other administrative duties previously routed through your HR department can now be completed by participants online, quickly and easily. Participants can also request a final benefit package through the system.

3. Please specify participant transactions available.

Based on access rights agreed to with the plan sponsor, participants can view and upload documents; perform **unlimited** benefit estimates; view and edit data personal data; initiate request for retirement election package and reset their password – all without contacting your HR department.

4. Please specify any transactions that cannot be completed via your Internet site.

Since the system is fully configurable, restrictions will be determined by the plan sponsor during the implementation phase.

5. Can a participant add/change beneficiary information online?

Yes, participants can quickly and easily add/update beneficiary information online based upon the access rights agreed to with the plan sponsor.

6. Can the Plan Sponsor manage sick leave conversions online?

Dependent on how the data elements are used in the calculation, sick leave conversions may be editable online. Your implementation team will discuss this option with you during the implementation phase.

7. What communication materials or tools do you offer the Plan participant via the Internet?

Participants have direct access to the pension outsourcing User Guides which are housed on the PensionEdge portal.

Additionally, all participants will have access to the **Knowledge Center**, which is housed on our website. The **Knowledge Center** provides plan sponsors and their participants with access to a variety of learning tools including:

The Library –a compilation of articles, brochures, newsletters and educational materials designed to help your participants understand all aspects of investing and saving.

The Classroom – Your relationship manager can help you structure an education program that meets the needs of your participants. We offer a variety of webinars/seminars including:

Participant Learning

- Planning today for a better tomorrow
- Heading toward retirement
- Social Security: What you need to know before you collect
- Investing basics and your 401(k)
- Saving for College
- Estate Planning

Executive and Fiduciary Management

- Downturns and Recoveries
- Global Investing
- Saving and Investment for Retirement
- How Much Will You Need at Retirement?
- How to Read a Mutual Fund Performance Report
- Long-term Investment Performance
- Portfolio Diversification

- Portfolio Performance
- Principles of Investing
- Retirement Incomes
- Risk & Volatility
- Target-Date Funds
- Understanding Deferred Annuities

Calculate your retirement - Our easy-to-use calculator can help participants when making important choices about how to best use their money to achieve financial goals.

Materials to promote educational sessions with your employees include posters, flyers, payroll stuffers and email messages are also offered to gain maximum exposure for educational events.

Our goal is to provide our clients with robust, informative tools that are not sales focused. Instead, we choose to focus our materials on ensuring that our clients and their participants better understand the steps they need to take to prepare for retirement.

8. How are participant-initiated transactions processed through the Internet? Are confirmations sent? Are they available immediately?

Benefit election forms packages are requested through the PensionEdge® Plus portal. Confirmation emails are sent to both the assigned administrator(s) and the plan participant. The standard turnaround time is 2-3 weeks from receipt of the request to delivery of a completed package. Participants may request other data changes via phone, email, mail or fax sent to the service center.

9. Can participants' e-mail account specific questions via the Internet site? If yes, who receives the e-mail, researches the issue, and responds? What is the turnaround time?

Yes, participants can click on a "contact me" button which automatically generates an email to our service center. The email is researched and responded to by a service center representative within one business day.

10. Do you track Internet site hits? If yes, describe what is tracked and the standard reports the City will receive.

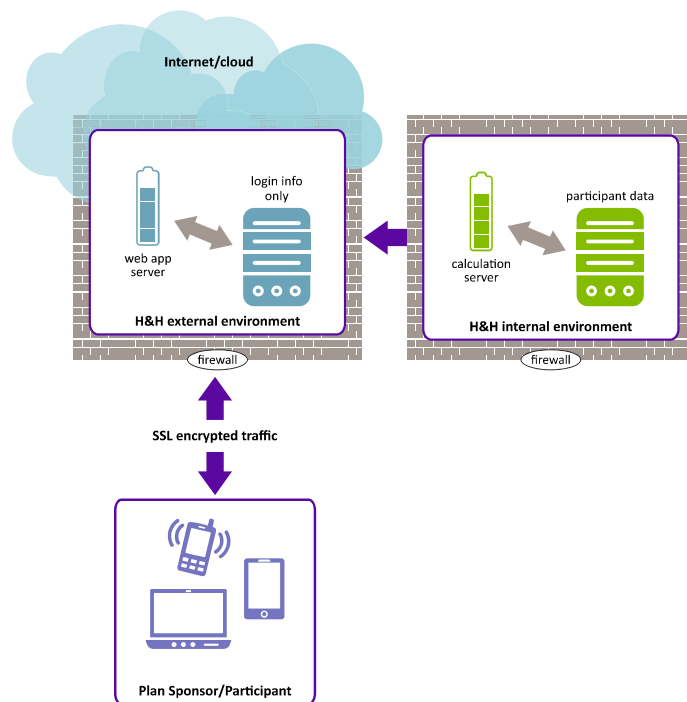
Yes, we track participant logon information, how many calculations were run, what documents were viewed/uploaded and Worktrack updates. Since many of our clients prefer to build reports specific to their needs, we do not yet offer standard website reports.

11. Describe the security through which a participant passes to use your Internet system. What firewalls do you have in place for your Internet services?

H&H implements both personal desktop firewalls and a corporate firewall. Virus protection from multiple vendors is used on servers and desktop computers. Servers and desktops are patched on a regular and frequent basis to prevent security issues. IT staff monitors audit logs and external sources to remain aware of emerging threats.

System security provides maximum protection for all users:

- Designed specifically to minimize data breach risks
- Calculators and data are pushed to the end user
- All data is encrypted
- Portal access rights are determined by the plan sponsors
- Data changes are logged, providing an audit trail



12. What improvements to your Internet capabilities are designated to occur in the next two to three years?

The web application which is currently developed using ASP.NET is moving to ASP.NET Core. Multilingual interfaces will be added in 2019.

13. Are the VRS, Internet, and Customer Service Center's workstation all linked to the same recordkeeping database?

Yes, our customer service workstations and pension administration website are linked to the same recordkeeping database.

14. Describe any online capabilities that your system provides for plan sponsor access.

This web-based portal, based on years of experience and client feedback, offers both plan sponsors and participants a comprehensive tool for viewing, managing and storing all plan related information. Through the portal, you can coordinate plan administration activities across a number of departments and locations, while simultaneously providing your employees with instant access to their benefit information.

PensionEdge® Plus features:

- Configurable data access
- Paperless documents
- Real-time participant reports
- Online newsfeed and communications
- Worktrack—an online assistant providing you and your staff with maximum efficiency
- Software as a Solution (SaaS) and SSL encryption ensures complete data integrity
- No hardware or software to purchase

Our secure website, PensionEdge® Plus, puts information and tools at your fingertips.

The site allows plan sponsors to grant participants and HR staff varying levels of access and security to perform various benefit-related tasks online, such as:

- Perform benefit projections and “what if” scenarios
- Complete real-time pension benefit calculations and projections
- View plan correspondence and benefit statements
- View/edit selected pension data

Most features of the PensionEdge® Plus portal can be customized to meet the specific needs of each plan sponsor. Our team of conversion experts will work with you to customize the portal to meet your participants’ needs.

15. Does your website include the ability for the participant to load other retirement income in order to run multiple retirement projection scenarios?

Our standard system does not permit this function. However, we can develop a “retirement illustrator” add-on to the system. There is an additional cost for this service and the price depends upon the level of sophistication required by your participants. We can discuss this option during the implementation phase and obtain a price quote for your review/approval before any works begins.

16. Does your website include the capability to add/change beneficiary information?

Yes, plan participants can add and change beneficiary information at any time based upon the access rights agreed to with the plan sponsor.

P. Employer Education

1. Describe all training you can make available to the City’s benefits, HR, and payroll staff regarding general defined benefits topics.

Our consultants and actuarial specialist are fully equipped to provide training on defined benefit topics. As a pension administration client, training for your staff on how to use the system, submit data/payroll, and the Worktrack feature are included in the price quote contained in this proposal. We also offer one-day on-site training or webinars on a variety of topics that change to keep pace with the industry. Sample topics include:

- Public Sector Pension Plans: 101
- Understanding PBGC and how it applies to your plan
- Pensions in Payroll
- Understanding Long-term investment performance
- Portfolio diversification and performance
- Risk & volatility
- Understanding deferred annuities
- The plan termination process – when will you be ready?

Sessions cost are provided in the cost proposal.

2. Do you provide education services for the City with respect to Fiduciary responsibilities and regulatory updates? Are there annual conferences?

Yes, our investment advisory group offers on-site seminars and internet-based webinars on a variety of topics designed to help plan sponsors and committees better understand their fiduciary responsibilities. Sessions are taught by highly-experienced consultants and/or education specialists, depending on content. Although we do not have an annual conference, from time-to-time we offer one-day sessions with clients and centers of influence to discuss industry trends and issues.

3. Do you provide ongoing training and support regarding the transmission and receipt of contribution/payroll files?

The need to protect the exchange of confidential information via email is a priority. All email that contains confidential information will be exchanged using the **Hooker & Holcombe Secure Message Center**. The Message Center should also be used by clients to send secure messages and files to H&H. We will work with you to set up procedures for transmitting data and schedule ongoing training as needed. Data files may also be uploaded securely through the web portal.

4. Do you provide ongoing training and support regarding features of the plan sponsor website?

Yes, when major upgrades are made to the site we will communicate the change to the plan sponsor and also make arrangements for on-site or website training as needed.

5. Do you update the plan sponsor about plan compliance with current and future regulatory requirements including any participant notifications?

Yes, H&H is very proactive when it comes to keeping our clients informed about compliance and regulatory requirements, including plan participant notifications. In addition to annual COLA notifications, emails are sent to clients and vendors when regulations or legislative changes are announced.

6. Do you provide training and support in providing documentation for the annual plan audit?

Yes, we will provide training and documentation support for the annual plan audit.

7. Do you provide training and support regarding Employee Benefits Communications?

Yes. With more than 62 years of pension experience under our belt, we have the expertise needed to help you and your team develop and produce employee benefit communications. We also have an in-house marketing department that can assist with copywriting, design and print/digital execution.

8. Do you provide a full summary of processes and procedures that you utilize with respect to defined benefit administration?

We are currently working on our general best practice policy document and it should be complete in early 2019.

Q. Fees/Contract

1. It is expected that a contract with milestones (contract signing, testing, implementation, etc.) is implemented with clients. Have you entered into this type of arrangement in the past?

Yes, the contract will have milestones such as contract signing, testing and implementation, for example. This is our standard practice for all clients.

2. When do ongoing administration fees start?

Ongoing plan administration fees begin once testing is complete and the portal goes “live.”

3. Does the fee you quoted include any contingency to pay for any future regulatory or plan changes that will require system changes? If so, what kinds of changes would be included in the quoted fees? If not, please provide the estimated cost of such types of required changes to the systems and/or administration processes.

Changes to the system that are planned by H&H are not charged to the client. These would include regulatory enhancement as required. Plan changes or other system change requests made by a specific client would be charged to the client at the hourly rates in effect at that time. Because each plan is different, we do not offer a “one size fits all” pricing structure. We would take into consideration the plan size at the time of the quote, estimated service center usage based on a plan’s usage history, etc. A client would be provided with a detailed fee quotes, and work would not begin until the quote is approved by the client.

4. What is the standard length of time that you contract your services?

A typical contract ranges from 3-5 years.

5. Please provide a copy of your standard contract including your standard performance guarantees.

Please see the Exhibits section of this proposal for a copy of our standard contract. **(Tab L)**

Our performance guarantee follows:

- We stand behind our work and pledge to deliver exceptional quality and unmatched expertise. We offer a performance guarantee based on a mutually agreeable delivery schedule. If we do not meet the delivery dates, the client can discount the fees based on the estimated loss in value.

Although H&H has not experienced a data breach, we provide clients with a cyber-security policy giving them assurance that participant data is protected:

- In the event of a breach, Hooker & Holcombe will reimburse our client for reasonable and direct costs incurred for providing written notice to participants, and, especially if SSNs are involved, H&H will reimburse our client the cost to provide up to one year of credit

monitoring, both of which when and to the extent required by law. These costs are not subject to the limits of liability set forth in the engagement letter.

6. Do you quote DB administration outsourcing fees on a per participant fee or flat fee basis? Please indicate the reason why you quote on a specific basis, if any.

Fees are based on both a flat fee and a per participant fee, depending on the service provided. Please see separate Cost Proposal for fees.

R. City Requirements

1. Identify all requirements and responsibilities of the City and the City team to ensure a successful implementation. Please include time and activities that will be required.

A typical transition can take from nine to twelve months to complete. However, we have found that the timeline is on the lower-end of the spectrum for those clients who provide clean data. A representative from the City would be required to attend weekly meetings to determine system set-up, fields, access rights, etc. to ensure the portal meetings your specific specifications.

A detailed timeline outlining specific tasks **(Tab P)** for both BERS and the City is provided in the Exhibits section of this proposal. Because each municipality is different, we will work with you and your staff to identify achievable dates for each task of the implementation process. Our goal is to make the implementation process as simple and efficient as possible, for both the plan sponsor and their participants.

2. What are the ongoing responsibilities of the City and City team? Identify what ongoing support will be required by the City team to ensure all of the needs of members are met. Please include time and activities that will be required.

The City has the fiduciary responsibility as Plan Sponsor. Ongoing data updates and authorization of benefit payments would be requested on an ongoing basis.

3. Please provide a detailed implementation plan that clearly identified the City's deliverables and responsibilities.

A detailed timeline outlining specific deliverables and responsibilities for both the City and H&H is provided in the Exhibits section of this proposal. **(Tab P)**

TAB E. C. COST INFORMATION

PART C: COST INFORMATION

Please see separate cost proposal.

TAB F. ADDITIONAL INFORMATION

ADDITIONAL INFORMATION

Our firm appreciates the opportunity to earn your business. We have the experience, depth and professional staff to ensure your complete satisfaction. Please take into consideration the following when making your decision.

INDEPENDENCE

We are independent benefit consultants and actuaries. Unlike some other service providers, our primary business is plan consulting and valuation work. Our commitment and energies are focused on working with you as the plan sponsor, as well as any accountants, attorneys and investment managers involved with your benefit plans. We have no other agenda, nor do we have any other vested interests. Our independence is assured since our only vested interest is providing top-notch, independent consulting, actuarial and administrative assistance.

SUPERIOR SERVICE

We have built our reputation on being responsive to our clients' needs. We will continue to do everything possible to assist the City in ensuring that its plans operate according to plan specifications. Our service teams are structured with enough depth to ensure that clients are always able to reach one of the professionals on their H&H team.

Additionally, our state-of-the-art systems and proven best practices provide efficiencies that help manage costs. We are constantly seeking better ways to improve upon our services to continue exceeding our clients' needs.

COMPLIANCE

We are especially proud of our work in the compliance area. Since various government limitations and restrictions may have a direct impact on your plans, it is our policy to constantly review and evaluate the potential influence of new legislation and associated regulations on government plans. We also update our clients regularly on these issues.

MUNICIPAL EXPERTISE

We have extensive consulting experience with municipalities, boards of education and school districts. In fact, more than 42% of Connecticut municipalities with pension plans and 54% of those with an OPEB component in their plans are H&H clients.

In addition to actuarial valuations, our services for municipalities include:

- Assistance with union negotiations
- Plan design alternatives and costing
- OPEB funding strategies

- Benefit calculations
- Pension Outsourcing program
- PensionEdge® Plus, a web-based platform for sponsors and participants
- Employee communications
- Arbitration testimony

COMPETITIVE FEE STRUCTURE

We provide value-added services at a very competitive price. Unlike large, national organizations with layers of management and operational overhead, our size permits us to provide similar services, delivered by credentialed and experienced professionals, at a more economical rate.

CONSULTING GROUP SYNERGY

We all know that many heads are better than one. That's why our consultants meet monthly to discuss client cases and share beneficial strategies. This sharing of best practices brings fresh ideas and unique concepts to our clients on an ongoing basis.

QUALITY CONTROL PROCEDURES

Our firm is organized into three service units with firm-wide quality control and unit scheduling procedures. Review is handled by the firm's Board of Directors. Peer review is encouraged and continuing education is required in accordance with requirements of the *Joint Board for the Enrollment of Actuaries*.

INFORMATION TECHNOLOGY

Because information systems are so important to the delivery of quality services, we have made a significant commitment to our information technology (IT) area – both in personnel and leading-edge computer systems and equipment.

Staff

Our experienced IT department provides support in a wide range of areas, including systems design, programming, use of commercial software and hardware maintenance. Our professional IT staff consists of a senior systems analyst and a network supervisor.

Hardware

All of our computer equipment is owned and is located onsite in our West Hartford office. We maintain industry-standard hardware. Our process includes scheduled replacement of servers and workstations on a regular and disciplined basis. The emphasis of this plan is to ensure that our equipment is continually updated to reflect current technical advances.

Software

Hooker & Holcombe utilizes state-of-the-art information systems to provide defined benefit and profit sharing plan services to assist our clients in the administration of their retirement plans. The following summarizes our primary software systems for our defined benefit and post-retirement medical services:

- Software for Actuarial Valuation Computations – ProVal, by Winklevoss Consultants, Inc. ProVal is a widely respected product utilized by many pension and OPEB providers.
- Microsoft Excel is used for a number of varied and complex actuarial calculations provided to our Clients.

ProVal integrated valuation and projection software is continually monitored and upgraded by professionals, and allows us flexibility and efficiency in each client's valuation process.

ProVal allows us to provide the following services:

- Pension & OPEB funding projections
- Asset liability modeling
- Early retirement window plans
- Workforce projections
- Retiree medical and life insurance benefits
- A broad range of pension and OPEB formulas for all types of plans
- Negotiated future benefit changes and grandfathered benefits
- Unlimited assumptions
- Calculations of multiple liabilities at differing interest rates
- Unlimited contribution and expense scenarios
- Analysis of "what if" scenarios based on differing assets returns, accounting discount rates, inflation, funding interest rates and cost of living increases.

Secure Message Center

The need to protect the exchange of confidential information via email is a priority. All email that contains confidential information will be exchanged using the Hooker & Holcombe Secure Message Center. The Message Center should also be used by clients to send secure messages and files to H&H.

SECURITY / BUSINESS CONTINUITY

Physical Security

H&H maintains physical security and accountability through the use of locked offices and rooms, visitor registers at the main entrance and server room, and a policy that all visitors must be escorted at all times.

Network Authentication

H&H requires strong passwords to access our internal network. Passwords must be changed on a regular basis. H&H policy requires that passwords not be shared with anyone. Access to sensitive data is limited to those who need this information to perform their roles.

Data Recovery

H&H utilizes procedures to ensure the availability of our data which include nightly backups of all data and applications, and offsite storage of critical applications and data. The reliability of backup procedures and media are verified on a frequent basis.

Data Integrity

H&H ensure data integrity by implementing industry standard firewalls, anti-viruses, and intrusion detection on all servers, desktops and laptops. All computers are patched on a scheduled basis to prevent security issues. IT monitors audit logs and external sources to remain aware of emerging threats.

Encryption

All H&H laptops are encrypted using 256-bit AES encryption. Sensitive Email is encrypted using ZixMail by Zix Corp.

Destruction of Paper and Media

H&H employs InfoShred for paper and media disposal. InfoShred is National Association for Information Destruction (NAID) AAA certified and maintains stringent security practices. InfoShred complies with all requirements of the Health Insurance Portability and Accountability Act of 1996 (HIPAA) the Gramm Leach Bailey Act (GLB) and the Fair and Accurate Credit Transaction Act (FACTA). Media including diskettes, CD's, and computer hard drives are destroyed by shredding and melting. H&H staff audits InfoShred procedures on a regular basis.

TAB G. CONCLUDING STATEMENT

CONCLUDING STATEMENT

H&H is proud to have the City of Burlington, VT as a client. We will continue to provide you with the expertise and consulting depth required to achieve – and possibly exceed – your goals:

- Our Pension Outsourcing program offers efficiency, security, technology and convenience to you and your participants. Combined with our service center, this comprehensive solution will evolve the way you and your participants interact with your pension plan.
- Our professionals are experts in providing actuarial consulting and pension administration services. They are hands-on, and focused on providing clients with depth of experience supported by proven processes and best practices.
- Superior service and a focus on building solid client relationships is the hallmark of our firm. Your service team is readily accessible and you will continue to be a priority.
- Our consultants have excellent communication skills which translate into the ability to turn complex issues and ideas into understandable language and actionable advice.
- We do not have multiple offices with layers of management. Our corporate structure is relatively flat which enables us to keep our fees competitive.
- We have been serving municipalities since 1956. We understand state laws and all of our services are in accordance with such laws.

Thank you for the opportunity to submit information about our pension administration services. We value your business and look forward to helping the City of Burlington elevate its pension offering to its employees.

TAB H. APPENDIX A

APPENDIX A

City of Burlington RFP: Defined Benefit Plan Administration Outsourcing

Understanding of RFP Procedures, Terms and Conditions

This page to be returned with submission

I acknowledge that I have read and understand all procedures and requirements of the above reference RFP and have complied fully with the general terms and conditions outlined in the RFP.

Consultant Team:	Steve Lemanski	
	Laura Hanson	Cathleen Falconer
	Robin Lane	Robert Lessard

Representative's Printed Name: Steve Lemanski

Representative's Title: OPEB Practice Leader and Consulting Actuary

Representative's Signature: _____

Date: December 19, 2018

TAB I. SAMPLE COMMUNICATIONS



hooker & holcombe

65 LaSalle Road
West Hartford, CT 06107

t 860.521.8400
f 860.521.3742

hhconsultants.com

November 29, 2017

«First» «Last»

«Street_1» «Street_2»

«City», «State» «Zip_Text»

Dear «First»:

Effective **date**, **Company Name** has transitioned the administration of **Plan Name** to Hooker & Holcombe. This change brings you exciting new tools including PensionEdge® Plus, an online portal that provides you with instant access to your pension information 24/7.

Using PensionEdge® Plus, you will now be able to:

- ✓ View personal pension information;
- ✓ View & print annual benefit statements;
- ✓ Estimate future retirement income;
- ✓ Request final benefit calculations and benefit election forms (for terminees only);
- ✓ View related plan information and documents.

You now have three ways to access your pension plan account information:



Online through the PensionEdge® Plus portal at www.PensionEdge.com (link also available on **Sponsor Website, if applicable**)



By calling the PensionEdge® Service Center toll-free at 1.866.495.3548, M-F from 8:30 am – 4:30 pm ET, multilingual services available



By sending an email to ServiceCenter@PensionEdge.com. Please note "**Company Name**" in the email message.

Take Action and Get Connected Today

It's easy to get started! Use the login information and the instructions **on the reverse side of this letter** to access your pension plan information.

Personal Password and Login Information for «First» «Last».

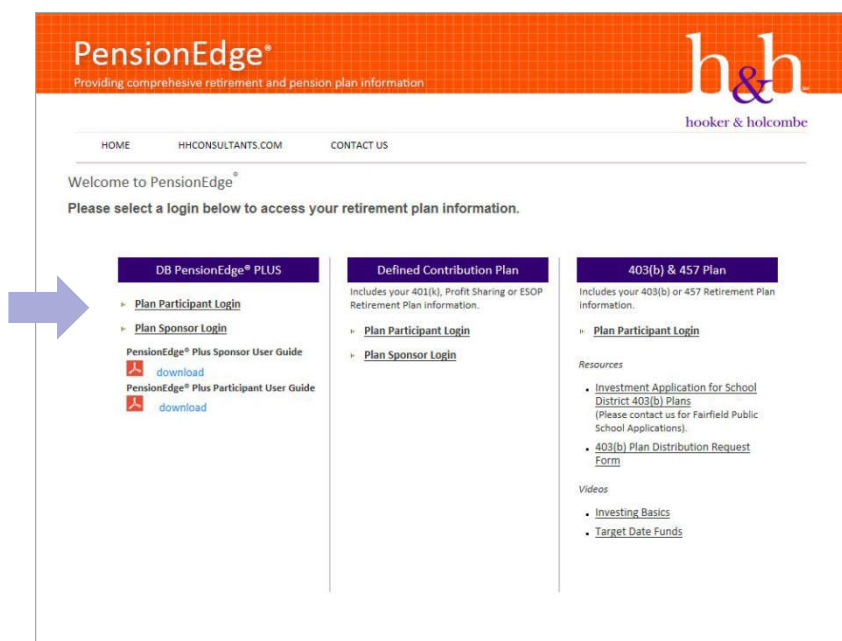
Your assigned User ID is: «User_ID»

Your assigned initial password is: «Password» (case sensitive)

Follow these easy steps to login and begin exploring all that PensionEdge® Plus has to offer:

Step 1: From any computer with internet access, go to www.PensionEdge.com

Step 2: Under the box that says DB PensionEdge® Plus, click on the link “Plan Participant Login” (see arrow below).



Step 3: Once the “Pension Benefit Login” screen opens, type in the assigned user name and password provided above to access your account. You will be asked to answer security questions and will be required to change your password. You can change your password at any time after initial login.

Help is Just a Phone Call Away

If you have questions or need assistance, please contact the PensionEdge® Service Center at 1.866.495.3548, Monday-Friday from 8:30 am – 4:30 pm ET. Or, send an email to ServiceCenter@PensionEdge.com. Please note “Company Name” in the email message.

A Word About Security

Ensuring the privacy and security of your personal information is very important. The PensionEdge® Plus portal uses the strongest available internet encryption methods. You can help keep your information safe by not writing down or sharing your security information with anyone.

Sample Death Letter – Beneficiary

(Current Date)

(Participant Spouse/PBI Located Ben)
(Address 1), (Address 2)
(City, State Zip)

RE: **Insert Plan Name** Pension Plan

(Participant Spouse/PBI Located Ben):

We were notified of **(Participant's)** month dd, yyyy death. Please accept our condolences. As a participant in the above mentioned plan, if he/she was married at the time of his/her death, his/her surviving spouse may be eligible for a survivor benefit.

☐ **Participant was not married at the time of their death**
(Please provide a copy of the participant's death certificate)

Your relationship to participant: _____

If you are his/her spouse: Please confirm your information below and provide copies of the following:

(PPT) Documentation

Death Certificate
Birth Certificate or Passport or Driver's License

Your Documentation

Marriage Certificate
Birth Certificate or Passport or Driver's License
Social Security Card

Above Address is correct: ☐

Above address is not correct: _____

Social Security Number: _____

Daytime Phone Number: _____

Email Address: _____

Please return the copies and this completed letter to the PensionEdge® Service Center using the enclosed return envelope.

If you would like to discuss any of the above please do not hesitate to contact us:

The Hooker & Holcombe PensionEdge® Service Center is ready to assist you with any questions you may have about your retirement plan or your benefit.



Call the PensionEdge® Service Center at 1.866.495.3548 between 8:30 am and 4:30 pm ET, Monday – Friday. (Multilingual Services are available)



Send an email to ServiceCenter@pensionedge.com. Please note your company name in your subject line.



Send by mail to Hooker & Holcombe, attention: PensionEdge® Service Center, 65 LaSalle Road, 4th floor, West Hartford, CT 06107

Sample: Death Letter – No Benefit Due

(Current Date)

(Participant Estate/Executor)

(Address 1)

(Address 2)

Re: Pension Benefit from **Insert Plan Name Pension Plan (“Plan”)**

Greetings -

Please accept our condolences as we have been notified of (Insert Participant)’s (Month Day, yyyy) death. As a participant in the above mentioned Plan and upon review of the death certificate provided, s/he was not married at the time of his/her death. Under the Plan, *only a spouse is eligible* to receive benefits after the participant’s death. There are no benefits due under the Plan.

If you would like to discuss any of the information above please do not hesitate to contact us:

The Hooker & Holcombe PensionEdge® Service Center is ready to assist you with any questions you may have about your retirement plan or your benefit.



Call the PensionEdge® Service Center at 1.866.495.3548 between 8:30 am and 4:30 pm ET, Monday – Friday. (Multilingual Services are available)



Send an email to ServiceCenter@pensionedge.com. Please note your company name in your subject line.



Send by mail to Hooker & Holcombe, attention: PensionEdge® Service Center, 65 LaSalle Road, 4th floor, West Hartford, CT 06107

Sample Increase in Benefit Letter

(Current Date)

Participant

Address 1

Address 2

Re: Pension Benefit from Insert Plan Name Pension Plan

Participant,

As a result of a recent internal audit, we discovered that your benefit should have been **\$1523.94** beginning October 1, 2017. This increased benefit will be reflected beginning with your February 1, 2018 payment. The February 1st payment will also include a one-time true-up payment in the amount of **\$304.20**.

The Hooker & Holcombe PensionEdge® Service Center is ready to assist you with any questions you may have about your retirement plan or your benefit.



Call the PensionEdge® Service Center at 1.866.495.3548 between 8:30 am and 4:30 pm ET, Monday – Friday. (Multilingual Services are available)



Send an email to ServiceCenter@pensionedge.com. Please note your company name in your subject line.



Send by mail to Hooker & Holcombe, attention: PensionEdge® Service Center, 65 LaSalle Road, 4th floor, West Hartford, CT 06107

Sample Lump-Sum Adjustment Letter

December 19, 2018

Participant
Address 1, Address 2
City, State Zip

RE: Your Retirement Benefit from the (Plan Name)

Dear Participant:

Since we received your election forms after the (BCD – Month dd, yyyy) benefit commencement date and you elected to receive a lump sum distribution, the amount of your benefit is being increased by one month's interest to reflect the late payment.

Your lump sum benefit at (Date) of (Amount) has been increased by the Plan's annual interest rate of (rate)% (rate% per month) to (New Amount) payable in (Month Year).

The Hooker & Holcombe PensionEdge® Service Center is ready to assist you with any questions you may have about your retirement plan or your benefit.



Call the PensionEdge® Service Center at 1.866.495.3548 between 8:30 am and 4:30 pm ET, Monday – Friday. (Multilingual Services are available)



Send an email to ServiceCenter@pensionedge.com. Please note "your company name" in your subject line.



Send by mail to Hooker & Holcombe, attention: PensionEdge® Service Center, 65 LaSalle Road, 4th floor, West Hartford, CT 06107



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65 LaSalle Road
West Hartford, CT 06107

t 860.521.8400
f 860.521.3742

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Sample TVs at NRD or Later_follow up letter

(Letter mail date)

Participant Name

Address 1

Address 2

Re: Pension Benefit from **Insert Plan Name** Pension Plan

As a follow up to our previous letter, as a former employee of **Insert company name**, you are entitled to a benefit as of your normal retirement date, **Insert NRD Month dd, yyyy**, under the **Insert Plan Name** Pension Plan (generally age 65). Since you will reach this date on or before **Date**, you should begin the benefit commencement process at this time. Before we can pay your benefits however, we need to confirm your address, marriage and contact information.

Please check the appropriate boxes below and provide the additional information, if necessary (mm/dd/yyyy).

Address above is correct ☐

Single, never married ☐ *Single, previously married ☐

Address above is not correct ☐

Married ☐ *Married, previously married ☐

Correct Address:

Spouse Name: _____

Spouse date of birth: _____

Spouse SSN (last 4): _____

Date of Marriage: _____

Daytime Phone Number:

***Please provide your previous Marriage Date(s):**

Start Date(s): _____ Ending Date(s): _____

Email Address:

Benefit Reduced for a QDRO? Yes ☐ No ☐

(If **yes** please provide documentation)

~ Please complete and return this form as soon as possible. Follow the return instructions on the following page. ~

The Hooker & Holcombe PensionEdge® Service Center is ready to assist you with any questions you may have.

Returning Your Forms and Requesting Assistance:

Return your completed form to:

Mail in Prepaid Envelope:

**PensionEdge® Service Center
Hooker & Holcombe
65 LaSalle Rd, 4th Floor
West Hartford, CT 06107-2397**

Email: ServiceCenter@pensionedge.com

Fax: 1-860-521-3742 (c/o Hooker & Holcombe PensionEdge® Service Center)

If you need assistance, please contact the PensionEdge® Service Center:



Call the PensionEdge® Service Center at 1.866.495.3548 between 8:30 am and 4:30 pm ET, Monday – Friday. (Multilingual Services are available)



Send an email to ServiceCenter@pensionedge.com. Please note your company name in your subject line.



Send by mail to Hooker & Holcombe, attention: PensionEdge® Service Center, 65 LaSalle Road, 4th floor, West Hartford, CT 06107



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t 860.521.8400
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(Current Date)

Sample Death Letter – Spouse Benefit

(Participant Spouse)

(Address 1), (Address 2)

(City, State Zip)

RE: **Insert Plan Name** Pension Plan

(Participant Spouse):

Please accept our condolences on the death of your spouse, (Insert Participant), as we have been notified of (his/her) (m/d/yyyy) death.

In order to notify you of your potential survivor benefits, please confirm your information below and provide copies of the following:

(PPT) Documentation

Death Certificate

Birth Certificate or Passport or Driver's License

Your Documentation

Marriage Certificate

Birth Certificate or Passport or Driver's License

Social Security Card

Above Address is correct: ☐

Above address is not correct: _____

Social Security Number: _____

Daytime Phone Number: _____

Email Address: _____

Not married at the time of Death: ☐

Date of Divorce: _____ QDRO? (If yes, paperwork required): Yes ☐ No ☐

Please return the copies and this completed letter to the PensionEdge® Service Center using the enclosed return envelope.

If you would like to discuss any of the above please do not hesitate to contact us:

The Hooker & Holcombe PensionEdge® Service Center is ready to assist you with any questions you may have about your retirement plan or your benefit.



Call the PensionEdge® Service Center at 1.866.495.3548 between 8:30 am and 4:30 pm ET, Monday – Friday. (Multilingual Services are available)



Send an email to ServiceCenter@pensionedge.com. Please note your company name in your subject line.



Send by mail to Hooker & Holcombe, attention: PensionEdge® Service Center, 65 LaSalle Road, 4th floor, West Hartford, CT 06107

(Current Date)

(Participant Spouse/PBI Located Ben)
(Address 1), (Address 2)
(City, State Zip)

Sample Death Letter – non spouse beneficiary

RE: Insert Plan Name Pension Plan

(Participant Spouse/PBI Located Ben):

We were notified of **(Participant's)** month dd, yyyy death. Please accept our condolences. As a participant in the above mentioned plan, if he/she was married at the time of his/her death, his/her surviving spouse may be eligible for a survivor benefit. However, if he/she was not married at the time of his/her death, his/her beneficiary may be eligible for a survivor benefit.

☐ **Participant was married at the time of their death, provide spouse information below**

Spouse Name: _____

☐ **Participant was not married at the time of their death, provide beneficiary information below**

Beneficiary Name: _____

Please confirm the participants spouse or beneficiary information below and provide copies of the following documentation:

(PPT Name) Documentation

Death Certificate
Birth Certificate or Passport or Driver's License

Your Documentation

Marriage Certificate (Spouse Only)
Birth Certificate or Passport or Driver's License
Social Security Card

Above Address is correct: ☐

Above address is not correct: _____

Social Security Number: _____

Daytime Phone Number: _____

Email Address: _____

Beneficiary relationship to participant: _____

~ Please return the copies and this completed letter to the PensionEdge® Service Center as soon as possible. Follow the return instructions on the following page. ~

The Hooker & Holcombe PensionEdge® Service Center is ready to assist you with any questions you may have.

Returning Your Forms and Requesting Assistance:

Return your completed form to:

Mail in Prepaid Envelope:

**PensionEdge® Service Center
Hooker & Holcombe
65 LaSalle Rd, 4th Floor
West Hartford, CT 06107-2397**

Email: ServiceCenter@pensionedge.com

Fax: 1-860-521-3742 (c/o Hooker & Holcombe PensionEdge® Service Center)

If you need assistance, please contact the PensionEdge® Service Center:



Call the PensionEdge® Service Center at 1.866.495.3548 between 8:30 am and 4:30 pm ET, Monday – Friday. (Multilingual Services are available)



Send an email to ServiceCenter@pensionedge.com. Please note your company name in your subject line.



Send by mail to Hooker & Holcombe, attention: PensionEdge® Service Center, 65 LaSalle Road, 4th floor, West Hartford, CT 06107



Sample QDRO at NRD Letter – yellow copy can be edited to suit your plan

65 LaSalle Road
West Hartford, CT 06107

t 860.521.8400
f 860.521.3742

hhconsultants.com

(Current Date)

(Participant's Ex-Spouse)

(Address 1)

(Address 2)

Re: **Pension Benefit from Insert Plan Name Pension Plan ("the Plan")**

As the Alternate Payee under the **Insert Participant** Qualified Domestic Relation's Order (QDRO), you were entitled to a benefit as of his normal retirement date (NRD), **Month D, YYYY**, under the **Insert Plan Name** Pension Plan. However, as you are beyond this date, if you return this completed form before the end of February you will receive your benefit package, via USPS mail and viewable on the PensionEdge® Plus portal, **about 60 days from the receipt of this form**. If you do not return this form before the first of March your commencement date and payments will continue to be delayed. If you receive a benefit package and do not return the forms before it expires, you will have to submit a new request to start receiving your pension. In both cases under the Plan your benefit amounts will not change and you will *not* be eligible for missed payments between November 1, 2015 and your new commencement date. Your new commencement date will be the 1st of the month **following 60 days from the date you submit your new request**.

Before we can begin your commencement process we need the information below. Please also include your social security card & number when returning this letter.

Above Address is correct: ☐

Above address is not correct: _____

Social Security Number: _____

Date of Birth: _____

Daytime Phone Number: _____

Email Address: _____

Please return the copy of your SS card and this completed letter to the PensionEdge® Service Center using the enclosed return envelope.

If you would like to discuss any of the above please do not hesitate to contact us:

The Hooker & Holcombe PensionEdge® Service Center is ready to assist you with any questions you may have about your retirement plan or your benefit.



Call the PensionEdge® Service Center at 1.866.495.3548 between 8:30 am and 4:30 pm ET, Monday – Friday. (Multilingual Services are available)



Send an email to ServiceCenter@pensionedge.com. Please note your company name in your subject line.



Send by mail to Hooker & Holcombe, attention: PensionEdge® Service Center, 65 LaSalle Road, 4th floor, West Hartford, CT 06107

Sample QDRO Info Request

EXCEPTION INSTRUCTIONS:

(Adjust the sentence in **red** depending on the information needed from the AP)

- No AP SSN on the QDRO: request a copy of the SS card **and the marriage certificate.**
- No AP DOB on the QDRO: request a copy of the SS card **and birth certificate.**
- No AP SSN and DOB on the QDRO: request the SS card, **marriage certificate and birth certificate.**



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65 LaSalle Road
West Hartford, CT 06107

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f 860.521.3742

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(Current Date)

(Participant's Ex-Spouse)

(Address 1)

(Address 2)

RE: Insert Plan Name Pension Plan – QDRO Notification

(Participant's Ex-Spouse):

We have been notified of the Qualified Domestic Relation's Order (QDRO) in relation to **Insert Participant Name** pension benefit.

In order to notify you of your benefit we need you to confirm and provide all of the information below. In addition, please provide a copy of each of the following: your social security card, marriage certificate and your birth certificate.

Above Address is correct: ☐

Above address is not correct: _____

Social Security Number: _____

Date of Birth: _____

Daytime Phone Number: _____

Email Address: _____

Please return the requested documentation and this completed letter to the PensionEdge® Service Center using the enclosed return envelope.

If you would like to discuss any of the above please do not hesitate to contact us:

The Hooker & Holcombe PensionEdge® Service Center is ready to assist you with any questions you may have about your retirement plan or your benefit.



Call the PensionEdge® Service Center at 1.866.495.3548 between 8:30 am and 4:30 pm ET, Monday – Friday. (Multilingual Services are available)



Send an email to ServiceCenter@pensionedge.com. Please note your company name in your subject line.



Send by mail to Hooker & Holcombe, attention: PensionEdge® Service Center, 65 LaSalle Road, 4th floor, West Hartford, CT 06107



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f 860.521.3742

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Sample TVs past NRD Letter

(Letter mail date)

Participants Name

Address 1

Address 2

Re: Pension Benefit from **Insert Plan Name** Pension Plan ("the Plan")

As a former employee of **Insert company name**, you were entitled to a benefit at the later of either your normal retirement date (NRD), **Insert NRD Month dd, yyyy**, or the 1st of the month following your termination of employment under the **Insert Plan Name** Pension Plan. However, as you are *past* your NRD, if you return this completed form before the 1st of next month you will receive your benefit package, via USPS mail and viewable on the PensionEdge® Plus portal, **about 60 days** from the receipt of this form. If you do not return this form before the 1st of next month your commencement date and payments will continue to be delayed. If you receive a benefit package and do not return the forms before it expires, you will have to submit a new request to start receiving your pension. In both cases under the Plan your benefit amounts will not change and you will *not* be eligible for missed payments. Your new commencement date will be the 1st of the month **following 60 days** from the date you submit your new request.

Before we can begin your commencement process we need to confirm your address, marriage and contact information.

Please check the appropriate boxes below and provide the additional information, if necessary (mm/dd/yyyy).

Address above is correct ☐

Single, never married ☐ *Single, previously married ☐

Address above is not correct ☐

Married ☐ *Married, previously married ☐

Correct Address:

Spouse Name: _____

Spouse date of birth: _____

Spouse SSN (last 4): _____

Date of Marriage: _____

Daytime Phone Number:

***Please provide your previous Marriage Date(s):**

Start Date(s): _____ *Ending Date(s):* _____

Email Address:

Benefit Reduced for a QDRO? Yes ☐ No ☐
(If **yes** please provide documentation)

~ Please complete and return this form as soon as possible. Follow the return instructions on the following page. ~

The Hooker & Holcombe PensionEdge® Service Center is ready to assist you with any questions you may have.

Returning Your Forms and Requesting Assistance:

Return your completed form to:

Mail in Prepaid Envelope:

**PensionEdge® Service Center
Hooker & Holcombe
65 LaSalle Rd, 4th Floor
West Hartford, CT 06107-2397**

Email: ServiceCenter@pensionedge.com

Fax: 1-860-521-3742 (c/o Hooker & Holcombe PensionEdge® Service Center)

If you need assistance, please contact the PensionEdge® Service Center:



Call the PensionEdge® Service Center at 1.866.495.3548 between 8:30 am and 4:30 pm ET, Monday – Friday. (Multilingual Services are available)



Send an email to ServiceCenter@pensionedge.com. Please note your company name in your subject line.



Send by mail to Hooker & Holcombe, attention: PensionEdge® Service Center, 65 LaSalle Road, 4th floor, West Hartford, CT 06107



hooker & holcombe

65 LaSalle Road
West Hartford, CT 06107

t 860.521.8400
f 860.521.3742

hhconsultants.com

Sample TVs past NRD over 70 ½

(Letter mail date)

Participant Name

Address 1

Address 2

Re: Pension Benefit from Insert Plan Name Pension Plan ("the Plan")

As a former employee of **Insert company name**, you were entitled to a pension benefit at the later of either your normal retirement date (NRD), **Insert NRD Month dd, yyyy**, or the 1st of the month following your termination of employment under the **Insert Plan Name** Pension Plan. However, as you are *past* your NRD and over 70 ½ years old, you are *required by law* to commence your benefit as of **Insert April 1, yyyy following 70 ½ date**.

Since this date has passed, we request that you please return this completed form as soon as possible.

Before we can begin your commencement process we need to confirm your address, marriage and contact information.

Please check the appropriate boxes below and provide the additional information, if necessary (mm/dd/yyyy).

Address above is correct ☐

Address above is not correct ☐

Correct Address:

Daytime Phone Number:

Email Address:

Single, never married ☐ *Single, previously married ☐

Married ☐ *Married, previously married ☐

Spouse Name: _____

Spouse date of birth: _____

Spouse SSN (last 4): _____

Date of Marriage: _____

***Please provide your previous Marriage Date(s):**

Start Date(s): _____ *Ending Date(s):* _____

Benefit Reduced for a QDRO? Yes ☐ No ☐

(If **yes** please provide documentation)

~ Please complete and return this form as soon as possible. Follow the return instructions on the following page. ~

The Hooker & Holcombe PensionEdge® Service Center is ready to assist you with any questions you may have.

Returning Your Forms and Requesting Assistance:

Return your completed form to:

Mail in Prepaid Envelope:

**PensionEdge® Service Center
Hooker & Holcombe
65 LaSalle Rd, 4th Floor
West Hartford, CT 06107-2397**

Email: ServiceCenter@pensionedge.com

Fax: 1-860-521-3742 (c/o Hooker & Holcombe PensionEdge® Service Center)

If you need assistance, please contact the PensionEdge® Service Center:



Call the PensionEdge® Service Center at 1.866.495.3548 between 8:30 am and 4:30 pm ET, Monday – Friday. (Multilingual Services are available)



Send an email to ServiceCenter@pensionedge.com. Please note your company name in your subject line.



Send by mail to Hooker & Holcombe, attention: PensionEdge® Service Center, 65 LaSalle Road, 4th floor, West Hartford, CT 06107



hooker & holcombe

65 LaSalle Road
West Hartford, CT 06107

t 860.521.8400
f 860.521.3742

hhconsultants.com

Sample TVs at NRD or Later_follow up letter

(Letter mail date)

Participant Name

Address 1

Address 2

Re: Pension Benefit from **Insert Plan Name** Pension Plan

As a follow up to our previous letter, as a former employee of **Insert company name**, you are entitled to a benefit as of your normal retirement date, **Insert NRD Month dd, yyyy**, under the **Insert Plan Name** Pension Plan (generally age 65). Since you will reach this date on or before **Date**, you should begin the benefit commencement process at this time. Before we can pay your benefits however, we need to confirm your address, marriage and contact information.

Please check the appropriate boxes below and provide the additional information, if necessary (mm/dd/yyyy).

Address above is correct ☐

Single, never married ☐ *Single, previously married ☐

Address above is not correct ☐

Married ☐ *Married, previously married ☐

Correct Address:

Spouse Name: _____

Spouse date of birth: _____

Spouse SSN (last 4): _____

Date of Marriage: _____

Daytime Phone Number:

***Please provide your previous Marriage Date(s):**

Start Date(s): _____ Ending Date(s): _____

Email Address:

Benefit Reduced for a QDRO? Yes ☐ No ☐
(If **yes** please provide documentation)

~ Please complete and return this form as soon as possible. Follow the return instructions on the following page. ~

The Hooker & Holcombe PensionEdge® Service Center is ready to assist you with any questions you may have.

Returning Your Forms and Requesting Assistance:

Return your completed form to:

Mail in Prepaid Envelope:

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Email: ServiceCenter@pensionedge.com

Fax: 1-860-521-3742 (c/o Hooker & Holcombe PensionEdge® Service Center)

If you need assistance, please contact the PensionEdge® Service Center:



Call the PensionEdge® Service Center at 1.866.495.3548 between 8:30 am and 4:30 pm ET, Monday – Friday. (Multilingual Services are available)



Send an email to ServiceCenter@pensionedge.com. Please note your company name in your subject line.



Send by mail to Hooker & Holcombe, attention: PensionEdge® Service Center, 65 LaSalle Road, 4th floor, West Hartford, CT 06107

TAB J. SAMPLE STATEMENTS

***This Is Your Statement of
Estimated Retirement Benefits***

Jane Sample

City of EFG Retirement Plan

Annual Benefit Statement as of Month xx, xxx

(See reverse side for more information about how these amounts were determined.)

DATA SUMMARY

Name	Jane Sample	Social Security Number	xxx-xx-xxxx
Date of Birth	xx/xx/xxxx	Plan Entry Date	xx/xx/xxxx
Normal Retirement Date*	xx/xx/xxxx	Current Plan Salary**	xxxxxx
Projected Years of Service at Normal Retirement Date	xx.xx	Years of Service to Month xx, xxxx	xx.xx

VESTING

You are currently vested	☐ yes ☒ no	If you are NOT VESTED, assuming that you continue with your current work schedule, you may expect your pension benefit to become vested as follows:
Your current vesting percentage is:	xx%	100% vested by xx/xx/xx

ANNUAL PENSION BENEFITS ACCRUED TO DATE

PAYABLE AT NORMAL RETIREMENT	
1. Accrued Pension	\$0,000
2. Vested Accrued Pension	\$0,000

ANNUAL PROJECTED RETIREMENT INCOME

PAYABLE AT NORMAL RETIREMENT DATE (BASED ON CURRENT PLAN SALARY)	
Projected Pension	\$00,000
Pension as a Percentage of Current Plan Salary	xx.x%

YOUR CONTRIBUTIONS TO THE PLAN

Amount You Contributed for the Period Month xx, xxxx through Month xx, xxxx	\$0,000
Your Total Contributions with Interest to Month xx, xxxx	\$00,000

PRE-RETIREMENT DEATH BENEFITS

If you die before retirement, your employee contributions, plus interest, will be payable to your designated beneficiary. In addition, your spouse may be entitled to an additional death benefit.

* Or July 1, 2017, if later

** Annualized 2016 Calendar Year Earnings, Based on 2017 for those with Date of Hire after 12/31/2016

ABOUT YOUR STATEMENT

All benefit amounts in this statement are estimates. Benefits are shown in the form of a pension payable for your lifetime with 50% of that amount continuing to your surviving spouse upon your death.

Benefits are based on current information in our records, such as your date of birth, salary and service. This information appears in the Data Summary. If you have questions or feel any of this information is not accurate, please contact the Personnel Department so we may correct our records.

The actual amount of your benefit will be calculated at the time you retire or leave employment and may vary from the amounts reported here. If you are now beyond your Normal Retirement Date, benefits are estimated assuming they are payable as of the statement date.

INFORMATION YOU SHOULD KNOW ABOUT YOUR BENEFITS

VESTING

If you are vested, you have a right to the pension benefit you have earned even if you leave employment now. This statement shows whether you are currently vested and it gives your vesting percentage. If you are not vested, it gives you an estimated date when you can expect to first become vested in your pension benefit. You are always 100% vested in your employee contributions with interest.

PENSION BENEFITS ACCRUED TO DATE

1. Accrued Pension

Your Accrued Pension is the amount of pension you have earned as of the statement date. It is based on your average plan salary and service up to the statement date.

2. Vested Accrued Pension

Your Vested Accrued Pension is the portion of your Accrued Pension which is non-forfeitable even if you leave employment now.

PROJECTED RETIREMENT INCOME

1. Estimated Projected Pension

Your projected pension benefit is estimated assuming

- you continue to work at your present schedule until Normal Retirement Date
- your salary as shown, remains constant until Normal Retirement Date
- the current Pension Plan remains in effect without any changes

If you are unmarried when you retire, the normal form of payment is a Single Life Annuity which is payable for your lifetime only. If you are married at retirement, the normal form of payment is a pension payable for your lifetime with 50% of that amount continuing to your surviving spouse upon your death. Payment options other than your normal form may also be available to you when you retire.

2. Pension as a Percentage of Current Plan Salary

This is the percentage of your Current Plan Salary that we estimate will be replaced at retirement by your Pension Plan.

YOUR CONTRIBUTIONS TO THE PLAN

The rate of interest credited on your contributions for the past year was x.x%.

For further information, please refer to your pension agreement or contact the Personnel Department. Every effort has been made to produce an accurate statement. However, in the case of error or an inconsistency, the legal plan document will govern.



2017 COMPREHENSIVE STATEMENT OF BENEFITS

We are pleased to provide you with your comprehensive statement of benefits. This statment is designed to keep you informed of your total compensation package which includes salary and benefits provdied by WXYZ Company.

We know that your employee benefi ts are vitally important to you and your family. The benefi t program – health and life insurance, retirement, etc. are an integral part of your overall fi nancial security and are as much a part of your income as your paycheck itself.

This statement was prepared confidentially using information supplied by the Human Resources Department at South Nassau Communities Hospital for calendar year 2017 and prior years. The estimated amounts contained in your benefit statement have been calculated to give you a general idea of the value of your benefits based on the current provisions of each plan. You should review your personal information carefully to ensure that the data provided is accurate and contact the Human Resources Department promptly if anything in the document does not appear correct. We also encourage you to read carefully the Summary Plan Description for the plans.

Sincerely,

John Doe, Jr.
President and CEO

JOHN SAMPLE
123 ANY STREET
ANYCITY, ST 12345

WXYZ PROVIDED BENEFITS

Your total compensation for 2017 including all hospital sources was

\$00,000

Annual Breakdown of Benefits and Costs	Coverage	WXYZ Contribution
Compensation		
Gross Earnings		\$00,000
Health & Welfare Benefits		
Medical	Family Choice	0,000
Dental	Family	000
Life / AD&D	\$50,000 / \$50,000	00
Supplemental Life	Not Elected	0
Long Term Disability	Covered	000
Voluntary Short Term Disability	Elected	0
Retirement Benefits		
Defined Benefit Pension Plan *	Covered	0,000
403(b) Savings Plan	Elected	0
403(b) Employer Contribution Plan	Covered	
- Employer Basic Contribution		0,000
- Employer Match		0,000
Mandated Benefits		
Short Term Disability	Covered	000
Social Security and Medicare	Covered	0,000
Workers Compensation Insurance	Covered	0,000
TOTAL COMPENSATION		\$000,000

Other Benefits

- Free Parking
- Discounted Cafeteria
- Flexible Spending Accounts for Healthcare and Dependent Care
- Credit Union
- Direct Deposit
- College Savings Plan
- Referral Awards
- Employee Assistance Program
- Legal Services Coverage
- Tuition Reimbursement
- Vision Plan

WXYZ Pension Plan Information as of December 31, 2017

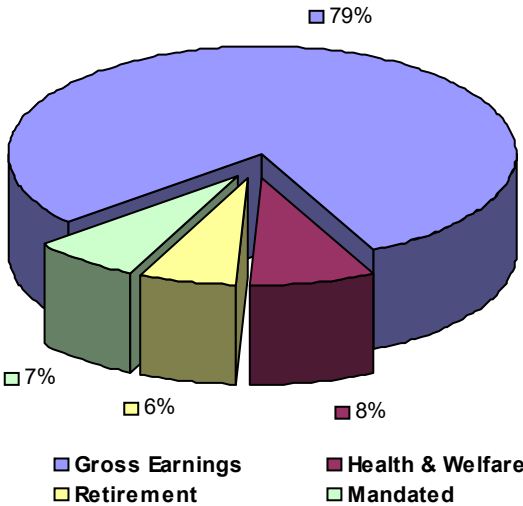
Date of Birth Month xx, xxxx
Normal Retirement Date (NRD) Month xx, xxxx

Defined Benefit Plan
You are 100% vested in your accrued benefit

Estimated monthly accrued benefit payable on your NRD under the Defined Benefit Pension Plan \$00,000

- And -

Defined Contribution Plan
Estimated account balance under 403(b) Plan (employer contributions) \$00,000



*The Defined Benefit Pension Plan was frozen in 2013, so no increases in benefits occur under that Plan beginning in 2014. However, WXYZ continues to fund that Plan for participants to ensure that the trust held under that Plan has adequate assets to pay benefits when participants retire. The amount shown is the average contribution attributable to you based on your compensation. This is a rough estimate of cost for you.

WXYZ reserves the right to terminate or amend the programs described in this statement at any time.

Important Information You Should Know

Gross Earnings

2017 W-2 earnings including paid work time, overtime, bonus, shift differential, holiday pay, vacation, sick leave and other paid time off.

Healthcare Benefits

WXYZ provides comprehensive healthcare benefits for you and your eligible dependents. In addition, WXYZ allows you to deduct healthcare premiums on a before-tax basis. Please review your current coverage and make any applicable changes during the next open enrollment period. You should consult the WXYZ Health and Welfare Benefits Plan Summary Plan Description for more information.

Medical

Our Medical Plan, administered by Empire BCBS, allows you to choose between two different options: (i) the Empire Choice Point of Service Plan or (ii) the Empire Select Plan. The Empire Choice Point of Service (POS) Plan gives you the flexibility to choose a physician either inside (preferred) or outside (non-preferred) the network of providers. If you use a preferred Empire provider, after a small co-payment, the Plan generally provides 100% coverage of eligible expenses provided that the deductible is met (\$300/individual per year; \$600/family per year). If you use a non-preferred provider, the Plan generally pays 60% of reasonable and customary expenses after the deductible is met (\$1,250/individual per year; \$2,500/family per year). Under the Empire Select Plan, you will only receive coverage if you use an Empire preferred provider (the plan will not provide coverage for out of network providers). If you use an Empire preferred provider under the Select option, after a small co-payment, the Plan generally provides 100% coverage of eligible expenses provided that the deductible is met (\$250/individual per year; \$500/family per year).

Dental

Our Dental Plan is administered by Delta Dental. If you use an in-network dentist, there is no deductible for any type of dental service. The Plan generally pays 100% for diagnostic and preventive services, 80% for basic services, and 50% for major services. If you use an out-of-network dentist, there is a \$100 (single) or \$300 (family) deductible for basic and major services. The deductible is waived for diagnostic and preventive services. The maximum benefit per calendar year per individual is \$2,000 for a Delta Dental dentist and \$1,500 for a non-Delta Dental dentist.

Life / AD&D

After 6 months of continuous employment, in the event of your death, your beneficiary(ies) would receive a lump sum amount from the WXYZ Basic Life Insurance Program. In addition to the lump sum from basic life insurance, if your death is due to a qualifying accident, your beneficiary(ies) would also receive a lump sum amount from the WXYZ Basic Accidental Death & Dismemberment Insurance (AD&D) program. WXYZ also has a program which allows you to purchase Supplemental Life Insurance.

Long Term Disability

An extended disability may qualify you for benefits from Social Security and the WXYZ Long Term Disability program.

Workers' Compensation Insurance

WXYZ contributes to Workers' Compensation Insurance on your behalf.

Short Term Disability

If you cannot work due to illness or injury, you may be eligible to receive income from Sick Leave or New York State Disability Insurance which pays 50% of base pay up to \$170 per week for a maximum of 26 weeks.

Voluntary Short Term Disability

WXYZ makes available a program that allows you to purchase supplemental short term disability insurance.

Vision

WXYZ makes available a program that allows you and your family to purchase vision insurance.

This Calculation of Benefits form provides an estimate of your accrued retirement benefit under the Retirement Plan for the Employees of WXYZ (the "Plan") making a variety of assumptions. You should review this form carefully to ensure that the data provided is accurate. The actual benefits you receive will depend upon your compensation history, years of service, Plan terms and other factors in effect on the date you ultimately begin to receive benefits under the Plan. Any clerical or mathematical errors reflected in this document will not be binding on the Plan, and the terms of the Plan will govern your benefits payable under the Plan notwithstanding anything to the contrary stated on this form. Plan records upon which information in this document is based are available for inspection upon request, by contacting the Human Resources Department at WXYZ, 1 Healthy Way, City, State XXXXX or (xxx) xxx-xxxx.

Employee Defined Contribution Plan (403(b) Plan)

WXYZ also makes available a 403(b) plan, that allows you to save and invest up to \$18,500 (in 2018) of your annual earnings (\$24,500 if you are age 50 or older) on a before-tax basis.

Effective December 31, 2013, WXYZ froze benefits under the WXYZ Retirement Plan as to future increases in benefit amounts and implemented a 403(b) employer-funded, defined contribution plan to represent increases in qualifying employees' benefits for retirement. This 403(b) Plan involves both a matching contribution (one which requires the employee to contribute the employee's own money in order to get a WXYZ contribution) as well as a "basic" contribution, which WXYZ makes on the employee's behalf whether or not the employee makes a contribution. The Annual Breakdown of Benefits and Costs shows the WXYZ contribution made to your 403(b) Plan account during 2017. You should review your own personal contributions to the 403(b) Plan to make sure you are receiving the maximum match. There is also a basic contribution made on your behalf whether or not you get a match (i.e., whether or not you make personal contributions out of your own pay). In order to receive the basic and/or the match contribution you must be in an eligible employee group. See your Summary Plan Description for additional details.

The Pension Plans Information section shows your aggregate actual account balance under the 403(b) Plan through December 31, 2017 attributable to employer contributions.

After you complete three years of vesting service, you will be 100% vested in the WXYZ contributions to the Defined Contribution Plan. If you were vested in the Defined Benefit Pension Plan, you are automatically vested. You are always 100% vested in your own contributions.

Defined Benefit Pension Plan

WXYZ froze the Defined Benefit Pension Plan effective as of December 31, 2013 (this is the plan described below). The Retirement Plan also was amended during 2012 so that any year of credited service performed during 2013 was not recognized under the Retirement Plan. Increases to your retirement plan benefits now come from the 403(b) Plan, rather than having those increases coming from the Retirement Plan, effective January 1, 2014. You should consult your Summary Plan Descriptions for the Defined Benefit Pension Plan and for the 403(b) Plan for greater details regarding these new benefits.

Your Aggregate Retirement Benefits if You Are in Both Retirement Plans

If you participated in the Defined Benefit Pension Plan before 2014, you will have multiple retirement income sources (besides your own 403(b) savings and Social Security).

You will have a benefit under the Defined Benefit Pension Plan, which is available as a lump sum at retirement or a periodic benefit for life benefit beginning at retirement (the Pension Plans Information section shows your monthly benefit for your life in case that is how you wish to receive the benefit).

In addition to this benefit, you will also have a 403(b) Plan account balance from which you will be able to draw income during retirement as you need that income.

We encourage all employees to understand these retirement benefits, as well as the 403(b) savings opportunity and Social Security, so that employees can understand the significant economic commitment that WXYZ makes under these plans and can plan adequately for their future.

Social Security and Medicare

Your Social Security benefits also play an integral part of your retirement income. Each year the Social Security Administration sends you your personal Social Security Statement, which gives you an estimate of the monthly current and future benefit amounts to which you and your family may be entitled. Please refer to your Social Security Statement for more information. WXYZ contributes to Social Security on your behalf.

RETIREMENT BENEFITS STATEMENT

To: *All Eligible Employees of XYZ Company*

We are pleased to provide you with a personal summary of your principal retirement benefits. This statement has been designed to increase your awareness of the availability of retirement benefits for you and your family. Since this is only an outline, some details about your retirement benefits have been omitted. You should refer to your Summary Plan Descriptions for more detailed descriptions of your retirement benefits, eligibility requirements and payment methods.

All retirement benefit calculations have been made by our consulting actuaries. The calculations are based on data available as of **December 31, 2017**, and every effort has been made to ensure accuracy. However, since the calculations are complex and, in part, based on variables that may not be yet known, they are subject to change.

The retirement benefits described are subject to applicable law and regulations and to the actual terms and conditions of the plan documents. Retirement benefit amounts will be recalculated when you apply for payment, subject again to applicable law and regulations and the plan provisions in effect at that time.

If you have any questions or would like more information about your retirement benefits, please contact the Human Resources Department.

John Doe
President and Chief Executive Officer

Name
Address 1
Address 2
City, State zip

The following chart presents an estimate of your Pension Plan benefits and your Profit Sharing and Thrift Plan accounts. You may also receive a monthly benefit from Social Security. To obtain an estimate of that benefit, you may call the Social Security Administration at (800) 772- 1213 or go online at www.socialsecurity.gov.

Your information:	
Name	Social Security #: xxx-xx-xxxx
Street address	Date of Birth: xx/xx/xxxx
Street address	Date of Hire: xx/xx/xxxx
City, State zip	Location: XYZ Company East

Pension Plan - employer paid		
Month xx, xxxx Date participation began	100%* Percent vested	xx/xx/xxxx Normal Retirement Date (NRD)
Accrued benefits – what you have earned as of 12/31/2017*		
Monthly benefit payable at NRD: \$0,000		
Estimated Normal Retirement Benefit**		
\$0,000 Monthly (Estimated) benefit payable at NRD	\$000,000 Lump sum (Estimated) benefit payable at NRD	
The plan provides various formulas to calculate your retirement benefit; you are entitled to the highest benefit determined. As permitted by law, some of the formulas include an offset or reduction based upon a portion of your compensation up to your “Covered Compensation” (the average of the Social Security wage bases in effect during a 35-year period as determined in accordance with IRS guidelines). This offset, which recognizes the Company’s Social Security contributions for you, cannot exceed 50 percent of the benefit you would otherwise accrue. The benefits shown on this statement have been adjusted for this offset, if applicable.		

*Assumes employment terminated on that date. **Assumes that you remain employed and in the plan until your normal retirement date and, for illustration, your 2017 rate of pay is unchanged. For participants who are or have been employed as a commissioned salesperson, compensation has been limited to \$50,000 for Plan Years before 1/1/1998 and \$100,000 for Plan Years after 12/31/1997. The calculations used to determine your estimated retirement benefit are based on data available as of December 31, 2016 and every effort has been made to ensure accuracy. However, since the calculations are complex and, in part, based on variables that may not be yet known, like interest rates in relation to lump sum benefits, they are subject to change. If you are married, the estimated monthly benefit will be reduced to provide a 50% Joint and Survivor spousal pension, unless your spouse waives this right in writing. Benefits for XYZ plan participants are estimated using the Career Average formula only.

Profit Sharing Plan - <i>employer paid</i>			
100% Percent vested	\$000 Company contribution	\$00,000 Your total account balance as of 12/31/2017	
Thrift Plan - <i>employee paid</i>			
100% Percent vested	\$000 Your 2017 contributions	\$000 Your cumulative contributions (after withdrawals) through 12/31/2017	\$000 Your total account balance (including rollovers) as of 12/31/2017

401(k) Plan: Traditional and Roth - employee paid	
Your 2017 401(k) before tax (Traditional) contribution \$000	Your 2017 401(k) after tax (Roth) contribution \$000
Your 401(k) before tax (Traditional) account balance as of 12/31/2017 \$00,000.00	Your 401(k) after tax (Roth) account balance as of 12/31/2017 \$000
XYZ Company sponsors a 401(k) Plan which provides you with an opportunity to increase your retirement benefits in addition to the other retirement programs provided by the Company and Social Security. The 401(k) Plan allows you to save through payroll deductions in investment funds chosen by you (from mutual funds selected by the Company) on a before (Traditional) or after (Roth) tax basis. You will receive a statement each quarter reflecting contributions made during the quarter as well as any investment gains earned or losses incurred during the period. At any time you may change the amounts of your payroll deductions the investment fund allocation of your future contributions, transfer existing fund balances among investment fund options by contacting the Vanguard Group, the Plan recordkeeper, by telephone at (800) 523-1188 or through its website, www.vanguard.com	



2017 COMPREHENSIVE STATEMENT OF BENEFITS

We are pleased to provide you with your comprehensive statement of benefits. This statement is designed to keep you informed of your total compensation package which includes salary and benefits provided by WXYZ Company.

We know that your employee benefits are vitally important to you and your family. The benefit program – health and life insurance, retirement, etc. are an integral part of your overall financial security and are as much a part of your income as your paycheck itself.

This statement was prepared confidentially using information supplied by the Human Resources Department at South Nassau Communities Hospital for calendar year 2017 and prior years. The estimated amounts contained in your benefit statement have been calculated to give you a general idea of the value of your benefits based on the current provisions of each plan. You should review your personal information carefully to ensure that the data provided is accurate and contact the Human Resources Department promptly if anything in the document does not appear correct. We also encourage you to read carefully the Summary Plan Description for the plans.

Sincerely,

John Doe, Jr.
President and CEO

JOHN SAMPLE
123 ANY STREET
ANYCITY, ST 12345

WXYZ PROVIDED BENEFITS

Your total compensation for 2017 including all hospital sources was

\$00,000

Annual Breakdown of Benefits and Costs	Coverage	WXYZ Contribution
Compensation		
Gross Earnings		\$00,000
Health & Welfare Benefits		
Medical	Family Choice	0,000
Dental	Family	000
Life / AD&D	\$50,000 / \$50,000	00
Supplemental Life	Not Elected	0
Long Term Disability	Covered	000
Voluntary Short Term Disability	Elected	0
Retirement Benefits		
Defined Benefit Pension Plan *	Covered	0,000
403(b) Savings Plan	Elected	0
403(b) Employer Contribution Plan	Covered	
- Employer Basic Contribution		0,000
- Employer Match		0,000
Mandated Benefits		
Short Term Disability	Covered	000
Social Security and Medicare	Covered	0,000
Workers Compensation Insurance	Covered	0,000
TOTAL COMPENSATION		\$000,000

Other Benefits

- Free Parking
- Discounted Cafeteria
- Flexible Spending Accounts for Healthcare and Dependent Care
- Credit Union
- Direct Deposit
- College Savings Plan
- Referral Awards
- Employee Assistance Program
- Legal Services Coverage
- Tuition Reimbursement
- Vision Plan

WXYZ Pension Plan Information as of December 31, 2017

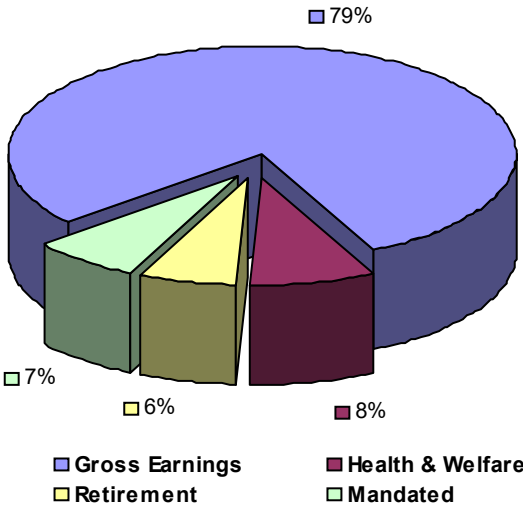
Date of Birth Month xx, xxxx
Normal Retirement Date (NRD) Month xx, xxxx

Defined Benefit Plan
You are 100% vested in your accrued benefit

Estimated monthly accrued benefit payable on your NRD under the Defined Benefit Pension Plan \$00,000

- And -

Defined Contribution Plan
Estimated account balance under 403(b) Plan (employer contributions) \$00,000



*The Defined Benefit Pension Plan was frozen in 2013, so no increases in benefits occur under that Plan beginning in 2014. However, WXYZ continues to fund that Plan for participants to ensure that the trust held under that Plan has adequate assets to pay benefits when participants retire. The amount shown is the average contribution attributable to you based on your compensation. This is a rough estimate of cost for you.

WXYZ reserves the right to terminate or amend the programs described in this statement at any time.

Important Information You Should Know

Gross Earnings

2017 W-2 earnings including paid work time, overtime, bonus, shift differential, holiday pay, vacation, sick leave and other paid time off.

Healthcare Benefits

WXYZ provides comprehensive healthcare benefits for you and your eligible dependents. In addition, WXYZ allows you to deduct healthcare premiums on a before-tax basis. Please review your current coverage and make any applicable changes during the next open enrollment period. You should consult the WXYZ Health and Welfare Benefits Plan Summary Plan Description for more information.

Medical

Our Medical Plan, administered by Empire BCBS, allows you to choose between two different options: (i) the Empire Choice Point of Service Plan or (ii) the Empire Select Plan. The Empire Choice Point of Service (POS) Plan gives you the flexibility to choose a physician either inside (preferred) or outside (non-preferred) the network of providers. If you use a preferred Empire provider, after a small co-payment, the Plan generally provides 100% coverage of eligible expenses provided that the deductible is met (\$300/individual per year; \$600/family per year). If you use a non-preferred provider, the Plan generally pays 60% of reasonable and customary expenses after the deductible is met (\$1,250/individual per year; \$2,500/family per year). Under the Empire Select Plan, you will only receive coverage if you use an Empire preferred provider (the plan will not provide coverage for out of network providers). If you use an Empire preferred provider under the Select option, after a small co-payment, the Plan generally provides 100% coverage of eligible expenses provided that the deductible is met (\$250/individual per year; \$500/family per year).

Dental

Our Dental Plan is administered by Delta Dental. If you use an in-network dentist, there is no deductible for any type of dental service. The Plan generally pays 100% for diagnostic and preventive services, 80% for basic services, and 50% for major services. If you use an out-of-network dentist, there is a \$100 (single) or \$300 (family) deductible for basic and major services. The deductible is waived for diagnostic and preventive services. The maximum benefit per calendar year per individual is \$2,000 for a Delta Dental dentist and \$1,500 for a non-Delta Dental dentist.

Life / AD&D

After 6 months of continuous employment, in the event of your death, your beneficiary(ies) would receive a lump sum amount from the WXYZ Basic Life Insurance Program. In addition to the lump sum from basic life insurance, if your death is due to a qualifying accident, your beneficiary(ies) would also receive a lump sum amount from the WXYZ Basic Accidental Death & Dismemberment Insurance (AD&D) program. WXYZ also has a program which allows you to purchase Supplemental Life Insurance.

Long Term Disability

An extended disability may qualify you for benefits from Social Security and the WXYZ Long Term Disability program.

Workers' Compensation Insurance

WXYZ contributes to Workers' Compensation Insurance on your behalf.

Short Term Disability

If you cannot work due to illness or injury, you may be eligible to receive income from Sick Leave or New York State Disability Insurance which pays 50% of base pay up to \$170 per week for a maximum of 26 weeks.

Voluntary Short Term Disability

WXYZ makes available a program that allows you to purchase supplemental short term disability insurance.

Vision

WXYZ makes available a program that allows you and your family to purchase vision insurance.

Employee Defined Contribution Plan (403(b) Plan)

WXYZ also makes available a 403(b) plan, that allows you to save and invest up to \$18,500 (in 2018) of your annual earnings (\$24,500 if you are age 50 or older) on a before-tax basis.

Effective December 31, 2013, WXYZ froze benefits under the WXYZ Retirement Plan as to future increases in benefit amounts and implemented a 403(b) employer-funded, defined contribution plan to represent increases in qualifying employees' benefits for retirement. This 403(b) Plan involves both a matching contribution (one which requires the employee to contribute the employee's own money in order to get a WXYZ contribution) as well as a "basic" contribution, which WXYZ makes on the employee's behalf whether or not the employee makes a contribution. The Annual Breakdown of Benefits and Costs shows the WXYZ contribution made to your 403(b) Plan account during 2017. You should review your own personal contributions to the 403(b) Plan to make sure you are receiving the maximum match. There is also a basic contribution made on your behalf whether or not you get a match (i.e., whether or not you make personal contributions out of your own pay). In order to receive the basic and/or the match contribution you must be in an eligible employee group. See your Summary Plan Description for additional details.

The Pension Plans Information section shows your aggregate actual account balance under the 403(b) Plan through December 31, 2017 attributable to employer contributions.

After you complete three years of vesting service, you will be 100% vested in the WXYZ contributions to the Defined Contribution Plan. If you were vested in the Defined Benefit Pension Plan, you are automatically vested. You are always 100% vested in your own contributions.

Defined Benefit Pension Plan

WXYZ froze the Defined Benefit Pension Plan effective as of December 31, 2013 (this is the plan described below). The Retirement Plan also was amended during 2012 so that any year of credited service performed during 2013 was not recognized under the Retirement Plan. Increases to your retirement plan benefits now come from the 403(b) Plan, rather than having those increases coming from the Retirement Plan, effective January 1, 2014. You should consult your Summary Plan Descriptions for the Defined Benefit Pension Plan and for the 403(b) Plan for greater details regarding these new benefits.

Your Aggregate Retirement Benefits if You Are in Both Retirement Plans

If you participated in the Defined Benefit Pension Plan before 2014, you will have multiple retirement income sources (besides your own 403(b) savings and Social Security).

You will have a benefit under the Defined Benefit Pension Plan, which is available as a lump sum at retirement or a periodic benefit for life benefit beginning at retirement (the Pension Plans Information section shows your monthly benefit for your life in case that is how you wish to receive the benefit).

In addition to this benefit, you will also have a 403(b) Plan account balance from which you will be able to draw income during retirement as you need that income.

We encourage all employees to understand these retirement benefits, as well as the 403(b) savings opportunity and Social Security, so that employees can understand the significant economic commitment that WXYZ makes under these plans and can plan adequately for their future.

Social Security and Medicare

Your Social Security benefits also play an integral part of your retirement income. Each year the Social Security Administration sends you your personal Social Security Statement, which gives you an estimate of the monthly current and future benefit amounts to which you and your family may be entitled. Please refer to your Social Security Statement for more information. WXYZ contributes to Social Security on your behalf.

This Calculation of Benefits form provides an estimate of your accrued retirement benefit under the Retirement Plan for the Employees of WXYZ (the "Plan") making a variety of assumptions. You should review this form carefully to ensure that the data provided is accurate. The actual benefits you receive will depend upon your compensation history, years of service, Plan terms and other factors in effect on the date you ultimately begin to receive benefits under the Plan. Any clerical or mathematical errors reflected in this document will not be binding on the Plan, and the terms of the Plan will govern your benefits payable under the Plan notwithstanding anything to the contrary stated on this form. Plan records upon which information in this document is based are available for inspection upon request, by contacting the Human Resources Department at WXYZ, 1 Healthy Way, City, State XXXXX or (xxx) xxx-xxxx.

TAB K. SAMPLE REPORTS

Company – 3rd Quarter Calculation Report



Calculations Done from 7/01/2018 - 9/30/2018 & Year to Date

hooker & holcombe

	<u>Div 1</u>	<u>Div 2</u>	<u>Div 3</u>	<u>Div 4</u>	<u>Div 5</u>	<u>Div 6</u>	<u>Div 7</u>	<u>Div 8</u>	<u>Div 9</u>	<u>Totals</u>
Estimates	0	0	0	0	0	0	0	0	0	0
Final Retirements	10	10	3	2	21	3	4	3	0	56
Term Vested	4	0	2	2	12	1	0	0	0	21
Death/PSA	1	0	0	1	2	0	1	3	0	8
QDROs	<u>2</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2</u>
2018 -3rd Qtr. Totals	17	10	5	5	35	4	5	6	0	87
2018 - January - September Totals	82	26	20	20	104	14	14	16	0	296
2017 - January - September Totals	74	22	22	37	131	8	18	12	1	325

Actual Retirements Processed from 7/01/2018 - 9/30/2018 & Year to Date

	<u>Div 1</u>	<u>Div 2</u>	<u>Div 3</u>	<u>Div 4</u>	<u>Div 5</u>	<u>Div 6</u>	<u>Div 7</u>	<u>Div 8</u>	<u>Div 9</u>	<u>Totals</u>
From Active Service	2	2	1	1	9	2	0	0	0	17
Term Vested Status	<u>16</u>	<u>2</u>	<u>1</u>	<u>1</u>	<u>15</u>	<u>0</u>	<u>1</u>	<u>3</u>	<u>0</u>	<u>39</u>
2018 - 3rd Qtr. Totals	18	4	2	2	24	2	1	3	0	56
2018 - January - September Totals	46	13	8	9	61	7	8	12	0	164
2017 - January - September Totals	54	6	7	10	60	7	10	6	1	161

2018 3rd Qtr. Participant Portal Calculations Totals: 177

2018 January - September Participant Portal Calculation Totals: 689

2017 January - September Participant Portal Calculation Totals: 1202

Definitions for Actual Retirements:

From Active Service: Participants in the pension plan who commence their pension benefits immediately after termination of employment (within 30 days).

Term Vested Status: Participants in the pension plan who commence their pension benefits more than 30 days after termination of employment. A "term vested" calculation must be sent notifying them of their deferred vested benefit. A Final Retirement calculation is done when they notify us of their decision to commence benefits.

3

Pension Plan Incoming Call Statistics

Call Center Client Summary Report 07/01/2018 - 09/30/2018

Wrap-Up Data	Total ACD Calls	Total Handle	Avg Handle	Max Handle
PENSION PLAN	343	34:03:47	0:05:57	0:23:01

Percent change: 3Q18 compared to 3Q17	27.04%	17.20%	-7.99%
--	--------	--------	--------

Call Center Client Summary Report 07/01/2017 - 09/30/2017

Wrap-Up Data	Total ACD Calls	Total Handle	Avg Handle	Max Handle
PENSION PLAN	270	29:03:52	0:06:28	0:33:28

Percent change: 3Q17 compared to 3Q16	-31.82%	-22.50%	14.12%
--	---------	---------	--------

Call Center Client Summary Report 07/01/2016 - 09/30/2016

Wrap-Up Data	Total ACD Calls	Total Handle	Avg Handle	Max Handle
PENSION PLAN	396	37:30:02	0:05:40	0:24:21

TAB L. SAMPLE SERVICE AGREEMENT

Sample Service Agreement

Re: Actuarial and Consulting Services - Terms of Engagement

Dear Sample Client:

Thank you for selecting Hooker & Holcombe, Inc. to provide certain actuarial and consulting services to (client name here). This letter agreement sets forth the terms of our engagement and the nature and limitations of the services we will provide to you unless we otherwise mutually agree in writing.

Services to be Performed: See the attached "Schedule of Services."

Scope Limitations: This engagement cannot be relied upon to disclose errors, irregularities, or illegal acts, including fraud or defalcations, which may exist with respect to your pension and other retirement plans covered by this letter agreement and the services we provide pursuant to the Schedule of Services. We may inform you of any such matters that come to our attention.

Fees and Expense: The fees and expenses for our services are as follows:

A. Professional Fees. The Schedule of Services sets forth the fees for our services. Except where the Schedule of Services provides otherwise, our fees for professional services will be based on the time expended at our current hourly rates, which are subject to change periodically, usually on an annual basis. Our 2018 hourly rates are:

- | | |
|-------------------------|---------------|
| ▪ Consultants/Actuaries | \$260 - \$450 |
| ▪ Analysts/Technicians | \$150 - \$260 |
| ▪ Support | \$100 - \$160 |

B. Direct Expenses. In addition to our professional fees, we will bill you for any expenses we pay to others on your behalf and for other costs we incur that are customarily paid by each client on an "as-used" basis, such as copier charges for non-incidental copying, courier and expedited delivery services, and travel expenses. If a disbursement is expected to exceed \$1,000.00, we may ask you to fund it in advance.

C. Taxes. We understand that our services would be exempt from Connecticut state sales tax. If any state sales tax (or similar tax) is or becomes applicable, it will be charged in addition to the above fees.

Payment: We will generally submit a bill to you monthly unless a different arrangement is mutually agreed upon in writing in advance of services. We expect prompt payment of all unpaid fees, expenses and costs.

Permission to Use Information in Our Marketing: By signing this letter agreement, you agree that we may use your name, logo, and a general description of our services to you in our business development efforts and materials. If you do not agree that we may use this information as described, please strike this paragraph by drawing a line through it and initialing it.

Client Documents: We will maintain any documents you furnish us in our client file for this matter. At the conclusion of the matter (or earlier, if appropriate), it is your obligation to advise us as to which, if any, of the documents in our files you wish for us to return to you. Subject to any applicable legal requirements, we will retain any remaining documents in our files for only a reasonable period of time, after which we may destroy the file.

ERISA Disclosures: If this letter agreement is subject to Section 408(b)(2) of the Employee Retirement Income Security Act of 1974, as amended, and Department of Labor Reg. §2550.408b-2(c), we will provide you with a separate written disclosure or disclosures that comply with the requirements of DOL Reg. §2550.408b-2(c).

Right to Terminate: Either party may terminate this letter agreement at any time on [Click here to enter text.](#) days' prior written notice (including email) to the other party.

Applicable Law: This letter agreement, engagement and any cause of action arising hereunder or related hereto shall be governed by an construed and enforced in accordance with the laws of the State of Connecticut without regard to its conflicts of laws principles. We and you agree that the courts of the State of Connecticut shall have exclusive jurisdiction with respect to any disputes, claims or causes of action arising under or in connection with this letter agreement.

Complete Agreement: This letter agreement, including the attached Schedule of Services, is the complete and exclusive statement of the agreement between the parties with respect to the services set forth on the Schedule of Services, superseding all proposals, oral or written, and all other communications between the parties. If any provision of this letter agreement is determined to be invalid or unenforceable, all other provisions shall remain in force.

Assignment: Each party's benefits and obligations under this letter agreement shall not be assigned without the prior written consent of the other party, which consent will not be unreasonably conditioned, withheld or delayed; provided that we may assign our benefits and obligations to an affiliated party of ours without your prior consent. The terms and conditions of this letter agreement shall apply to, inure to the benefit of, and be binding upon the parties hereto and upon their permitted successors and assigns.

Force Majeure: Notwithstanding any other provision of this letter agreement, we will not be liable for, nor shall we be considered in breach of this letter agreement due to, any failure to perform our obligations under this letter agreement as a result of a cause beyond our control, including any act of God or a public enemy, act of any military, civil or regulatory authority, act of terrorism, change in any law or regulation, fire, flood, earthquake, storm or other like event, disruption or outage of communications, power or other utility, labor problem, unavailability of

supplies, or any other cause, whether similar or dissimilar to any of the foregoing, which could not have been prevented by our reasonable care.

Understanding: If this letter agreement accurately reflects your understanding of our duties and relationship, please sign below and return the original to us. The copy is for your files. If we have misunderstood any aspect of our duties or our relationship, please call us immediately, and we will revise this letter agreement prior to your execution of it.

Very truly yours,

Accepted and agreed:
[Click here to enter text.](#)

By: _____

Name: _____

Title: _____

Date: ____ / ____ / ____

Attachment: Schedule of Services

SCHEDULE OF SERVICES

[CUSTOMIZED FOR EACH ENGAGEMENT]

TAB M. SOC 1, TYPE 2 EXAM

This SOC 1 Type 2 report is being provided under Restricted Use, as follows:

This report, including the description of tests of controls and results thereof in Section 4, is intended solely for the information and use of H&H, user entities of the Defined Benefits Administration system, and the independent auditors of such user entities, who have a sufficient understanding to consider it, along with other information including information about controls implemented by user entities themselves, when assessing the risks of material misstatements of user entities' financial statements.

This report is not intended to be and should not be used by anyone other than these specified parties.



REPORT ON CONTROLS AT A SERVICE
ORGANIZATION SOC 1 TYPE 2 FOR

Hooker & Holcombe, Inc. Defined Benefits Administration

For the Period October 1, 2017 – September 30, 2018

Prepared By
BerryDunn



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consent is strictly prohibited

CONTENTS

Section 1	Independent Service Auditor's Report	1-1
Section 2	Assertion of the Management of Hooker & Holcombe, Inc.	2-1
Section 3	Hooker & Holcombe, Inc.'s Description of Its System	3-1
	Introduction	3-1
	Relevant Aspects of the Control Environment, Risk Assessment, and Monitoring	3-4
	Control Objectives and Related Control Activities	3-6
	Organization and Management	3-7
	Defined Benefits Operations	3-9
	System Overview	3-14
	Physical Security and Environmental Controls	3-17
	User Control Considerations	3-18
	Subservice Organization Control Considerations	3-19
Section 4	Information Provided by BerryDunn	
	Purpose and Scope of the Report	4-1
	Understanding the Control Environment	4-1
	Tests of Operating Effectiveness of Specified Controls	4-2
	Test Performed and Results of Tests	4-3

SECTION 1

INDEPENDENT SERVICE AUDITOR'S REPORT

INDEPENDENT SERVICE AUDITOR'S REPORT

To the Management of
Hooker & Holcombe, Inc.
West Hartford, CT

SCOPE

We have examined Hooker & Holcombe, Inc.'s (H&H) description of its system entitled "Hooker & Holcombe, Inc.'s Description of Its System" for processing of defined benefits plan administration throughout the period October 1, 2017 to September 30, 2018 (description) and the suitability of the design and operating effectiveness of the controls included in the description to achieve the related control objectives stated in the description, based on the criteria identified in the "Assertion of the Management of Hooker & Holcombe, Inc." (assertion). The controls and control objectives included in the description are those that management of H&H believes are likely to be relevant to user entities' internal control over financial reporting, and the description does not include those aspects of the system that are not likely to be relevant to user entities' internal control over financial reporting.

H&H uses several subservice organizations to maintain custody of funds and obtain prices on securities. The description includes only the control objectives and related controls of H&H and excludes the control objectives and related controls of the subservice organizations. The description also indicates that certain control objectives specified by H&H can be achieved only if complementary subservice organization controls assumed in the design of H&H's controls are suitably designed and operating effectively, along with the related controls at H&H. Our examination did not extend to controls of the subservice organizations and we have not evaluated the suitability of the design or operating effectiveness of such complementary subservice organization controls.

The description indicates that certain control objectives specified in the description can be achieved only if complementary user entity controls assumed in the design of H&H's controls are suitably designed and operating effectively, along with related controls at the service organization. Our examination did not extend to such complementary user entity controls and we have not evaluated the suitability of the design or operating effectiveness of such complementary user entity controls.

SERVICE ORGANIZATION'S RESPONSIBILITIES

In Section 2, H&H has provided an assertion about the fairness of the presentation of the description and suitability of the design and operating effectiveness of the controls to achieve the related control objectives stated in the description. H&H is responsible for preparing the description and assertion, including the completeness, accuracy, and method of presentation of the description and assertion, providing the services covered by the description, specifying the control objectives and stating them in the description, identifying the risks that threaten the achievement of the control objectives, selecting the criteria stated in the assertion, and designing, implementing, and documenting controls that are suitably designed and operating effectively to achieve the related control objectives stated in the description.

SERVICE AUDITOR'S RESPONSIBILITIES

Our responsibility is to express an opinion on the fairness of the presentation of the description and on the suitability of the design and operating effectiveness of the controls to achieve the related control objectives stated in the description, based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether, in all material respects, based on the criteria in management's assertion, the description is fairly presented and the controls were suitably designed and operating effectively to achieve the related control objectives stated in the description throughout the period October 1, 2017 to September 30, 2018. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

An examination of a description of a service organization's system and the suitability of the design and operating effectiveness of controls involves—

- performing procedures to obtain evidence about the fairness of the presentation of the description and the suitability of the design and operating effectiveness of the controls to achieve the related control objectives stated in the description, based on the criteria in management's assertion.
- assessing the risks that the description is not fairly presented and that the controls were not suitably designed or operating effectively to achieve the related control objectives stated in the description.
- testing the operating effectiveness of those controls that management considers necessary to provide reasonable assurance that the related control objectives stated in the description were achieved.
- evaluating the overall presentation of the description, suitability of the control objectives stated in the description, and suitability of the criteria specified by the service organization in its assertion.

INHERENT LIMITATIONS

The description is prepared to meet the common needs of a broad range of user entities and their auditors who audit and report on user entities' financial statements and may not, therefore, include every aspect of the system that each individual user entity may consider important in its own particular environment. Because of their nature, controls at a service organization may not prevent, or detect and correct, all misstatements in processing or reporting transactions. Also, the projection to the future of any evaluation of the fairness of the presentation of the description, or conclusions about the suitability of the design or operating effectiveness of the controls to achieve the related control objectives, is subject to the risk that controls at a service organization may become ineffective.

DESCRIPTION OF TESTS OF CONTROLS

The specific controls tested and the nature, timing, and results of those tests are listed in Section 4.

OPINION

In our opinion, in all material respects, based on the criteria described in H&H's assertion—

1. The description fairly presents the system that was designed and implemented throughout the period October 1, 2017 to September 30, 2018.
2. The controls related to the control objectives stated in the description were suitably designed to provide reasonable assurance that the control objectives would be achieved if the controls operated effectively throughout the period October 1, 2017 to September 30, 2018 and subservice organizations and user entities applied the complementary controls assumed in the design of H&H's controls throughout the period October 1, 2017 to September 30, 2018.
3. The controls operated effectively to provide reasonable assurance that the control objectives stated in the description were achieved throughout the period October 1, 2017 to September 30, 2018 if complementary subservice organization and user entity controls assumed in the design of H&H's controls operated effectively throughout the period October 1, 2017 to September 30, 2018.

RESTRICTED USE

This report, including the description of tests of controls and results thereof in Section 4, is intended solely for the information and use of H&H, user entities of H&H's system during some or all of the period October 1, 2017 to September 30, 2018, and their auditors who audit and report on such user entities' financial statements or internal control over financial reporting and have a sufficient understanding to consider it, along with other information, including information about controls implemented by user entities themselves, when assessing the risks of material misstatement of user entities' financial statements. This report is not intended to be, and should not be, used by anyone other than these specified parties.

Berry Dunn McNeil & Parker, LLC

Manchester, New Hampshire

November 15, 2018

SECTION 2

**ASSERTION OF THE
MANAGEMENT OF HOOKER &
HOLCOMBE, INC.**

ASSERTION OF THE MANAGEMENT OF HOOKER & HOLCOMBE, INC.

We have prepared the description of Hooker & Holcombe, Inc.'s (H&H) system entitled "Hooker & Holcombe, Inc.'s Description of Its System" for defined benefits plan administration throughout the period October 1, 2017 to September 30, 2018 (description) for user entities of the system during some or all of the period October 1, 2017 to September 30, 2018, and their auditors who audit and report on such user entities' financial statements or internal control over financial statement reporting and have a sufficient understanding to consider it, along with other information, including information about controls implemented by subservice organizations and user entities of the system themselves when assessing the risks of material misstatement of user entities' financial statements.

H&H uses several subservice organizations to maintain custody of funds and obtain prices on securities. The description includes only the control objectives and related controls of H&H and excludes the control objectives and related controls of the subservice organizations. The description also indicates that certain control objectives specified in the description can be achieved only if complementary subservice organization controls assumed in the design of our controls are suitably designed and operating effectively, along with the related controls at the subservice organization. The description does not extend to controls of the subservice organizations.

The description indicates that certain control objectives specified in the description can be achieved only if complementary user entity controls assumed in the design of H&H's controls are suitably designed and operating effectively, along with related controls at the service organization. The description does not extend to controls of the user entities.

We confirm, to the best of our knowledge and belief, that:

1. The description fairly presents the system made available to user entities of the system during some or all of the period October 1, 2017 to September 30, 2018 for processing their transactions as it relates to controls that are likely to be relevant to user entities' internal control over financial reporting. The criteria we used in making this assertion were that the description:
 - a. Presents how the system made available to user entities of the system was designed and implemented to process relevant user entity transactions, including, if applicable:
 - i. the types of services provided, including, as appropriate, the classes of transactions processed.
 - ii. the procedures, within both automated and manual systems, by which those services are provided, including, as appropriate, procedures by which transactions are initiated, authorized, recorded, processed, corrected as necessary, and transferred to the reports and other information prepared for user entities of the system.
 - iii. the information used in the performance of the procedures including, if applicable, related accounting records, whether electronic or manual, and supporting information involved in initiating, authorizing, recording, processing, and reporting transactions; this includes the correction of incorrect information and how information is transferred to the reports and other information prepared for user entities of the system.

- iv. how the system captures and addresses significant events and conditions other than transactions.
 - v. the process used to prepare reports and other information for user entities.
 - vi. the services performed by a subservice organization, if any, including whether the carve-out method or the inclusive method has been used in relation to them.
 - vii. the specified control objectives and controls designed to achieve those objectives including, as applicable, complementary user entity controls and complementary subservice organization controls assumed in the design of the service organization's controls.
 - viii. other aspects of our control environment, risk assessment process, information and communications (including the related business processes), control activities, and monitoring activities that are relevant to the services provided.
- b. Includes relevant details of changes to the system during the period covered by the description.
 - c. Does not omit or distort information relevant to the service organization's system, while acknowledging that the description is prepared to meet the common needs of a broad range of user entities of the system and their user auditors and may not, therefore, include every aspect of the system that each individual user entity of the system and its auditor may consider important in its own particular environment.
2. The controls related to the control objectives stated in the description were suitably designed and operating effectively throughout the period October 1, 2017 to September 30, 2018 to achieve those control objectives if subservice organizations and user entities applied the complementary controls assumed in the design of H&H's controls throughout the period October 1, 2017 to September 30, 2018. The criteria we used in making this assertion were that:
- a. The risks that threaten the achievement of the control objectives stated in the description have been identified by management of the service organization.
 - b. The controls identified in the description would, if operating effectively, provide reasonable assurance that those risks would not prevent the control objectives stated in the description from being achieved.
 - c. The controls were consistently applied as designed, including whether manual controls were applied by individuals who have the appropriate competence and authority.

Hooker & Holcombe, Inc.

November 15, 2018

SECTION 3

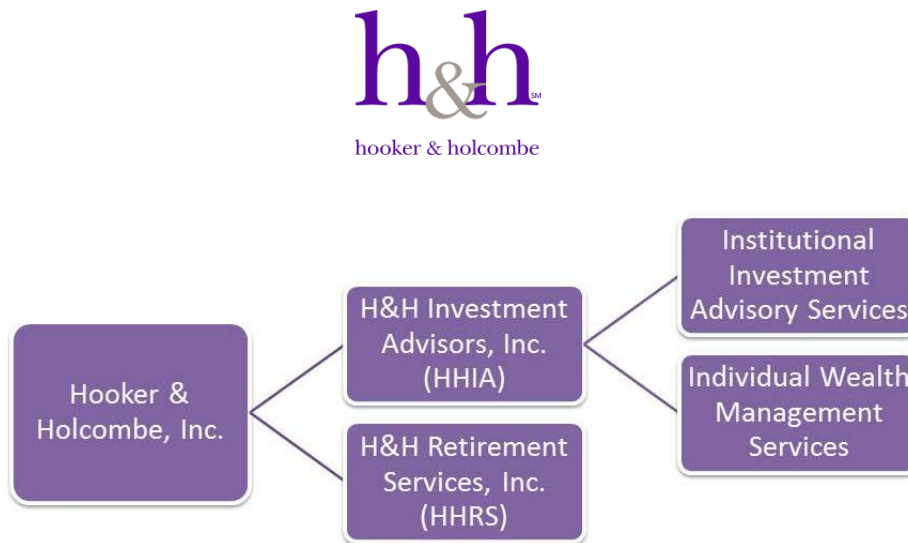
HOOKER & HOLCOMBE, INC.'S DESCRIPTION OF ITS SYSTEM

INTRODUCTION

COMPANY STRUCTURE

Established in 1956, Hooker & Holcombe, Inc. (H&H or the Company) is a privately-held actuarial, retirement, and investment advisory consulting firm located in West Hartford, Connecticut (CT). H&H clients include private and public sector companies and non-profit organizations. The Company has two wholly owned subsidiaries:

- Hooker & Holcombe Retirement Services, Inc. (HHRS), which focuses on defined contribution (DC) Plan consulting and associated administrative services.
- Hooker & Holcombe Investment Advisors, Inc. (HHIA), which provides investment advisory and management services to institutional investors. HHIA also offers wealth management services to individual investors.



Note: H&H's Actuarial Services is the focus of this SOC 1 examination. References to HHIA and HHRS programs and services in this report are for information purposes only.

The Company's executive leadership team consists of six experienced, knowledgeable owners supported by credentialed actuaries and investment managers, as well as a team of highly-skilled professionals and an administrative staff. Most of the Defined Benefits (DB) Consultants are also owners.

The Company markets itself under the H&H brand, which provides the marketplace with brand clarity, consistent messaging and a full array of service offerings under one umbrella.



SERVICES

Actuarial

The Company's Actuarial and Benefits Consulting group offers a variety of actuarial consulting and administrative services to companies throughout the Northeast United States. Clients include manufacturing, banking, municipalities, education, healthcare and non-profit organizations.

The group's innovative consulting approach is reflected in the way H&H connects Plan Sponsors and participants to pension technology and resources. The Pension Outsourcing program helps Plan Sponsors better manage their retirement Plans by allowing them to choose from four service levels – Basic, Premier, Premier Plus and Comprehensive. The program is driven by PensionEdge Plus® (PEP), a fully customizable, paperless portal that gives Plan Sponsors control over plan data, and plan participants access to their data and other online tools.

H&H's full range of actuarial services includes the elements needed to help ensure that clients' Plans are cost-effective and meet all statutory and regulatory requirements. A breakdown of H&H's Actuarial and Benefits Consulting services are provided below:

Consulting Services

- Plan design
- Cost estimates for Plan changes
- Special early retirement window programs
- Supplemental executive retirement Plans
- Merger and acquisition work

Actuarial Services

- Funding status of the Plan
- Cash contribution requirements
- Internal Revenue Service (IRS) and Pension Benefit Guaranty Corporation (PBGC) information - filings and schedules
- Disclosure items
- Plan terminations
- Compliance issues
- Legislative updates

Administrative Services

- Benefit calculations
- Asset liability modeling
- Individual pension benefit statements
- Retirement Plan outsourcing via Pension Outsourcing and the PEP portal
- Distributions (managed by the HHRS team)



Investment Advisory

HHIA has been providing independent and comprehensive investment advice to institutional investors since 1996. HHIA focuses on investment policy, asset allocation, investment selection, and ongoing monitoring and reporting. With a team that includes four Chartered Financial Analysts (CFA or Analyst), charter holders advise the group on qualified and non-qualified DB and DC Plans. HHIA also offers financial planning and wealth management services to help individuals achieve their retirement goals. Clients include private sector, public sector and non-profit entities that sponsor qualified and non-qualified retirement Plans.

Advisory Services

- Investment policy formulation
- Fund and manager evaluations
- Asset allocation
- Investment selections guidance
- Advisory oversight
- Portfolio monitoring
- Communications and education programs including webinars and seminars
- Weekly Market Update: an e-newsletter covering the latest in financial markets data and economic news
- Wealth^{RX}: a monthly e-newsletter providing useful wealth and wellness tips and information to individual investors

Retirement Services

HHRS has been providing a complete range of administrative and recordkeeping services for 401(k) and other DC Plans for more than 20 years. Staffed with a team of Analysts and customer service staff, the group delivers:

Administration Services

- Plan design and consulting (new Plans and conversions)
- Plan administration and recordkeeping via Schwab Retirement Technologies® (Schwab RT) system
- Participant enrollment and education services including webinars, seminars and one-on-one sessions with participants, as well as customized participant communications
- Sponsor and participant websites
- Fully-staffed and experienced customer service center

Compliance Services

- Non-discrimination tests
- Combined limit testing (Section 415)
- Form 5500 and attachments
- Submission of IRS determination letter

RELEVANT ASPECTS OF THE CONTROL ENVIRONMENT, RISK ASSESSMENT, AND MONITORING

CONTROL ENVIRONMENT

The control environment sets the tone of an organization, influencing the control awareness of management and staff. More specifically, it illustrates the attitudes and philosophies of management, as reflected in policies, procedures, segregation of duties, and other controls, and helps assure operational integrity. The control environment originates with, and is the responsibility of, the Board of Directors (Board), the Executive Committee, and the President. This management team recognizes its responsibility for directing and controlling operations, managing risks, and establishing, communicating, and monitoring control policies and procedures. Practice leaders recognize their responsibility for establishing and maintaining sound internal controls and promoting integrity and ethical values to all personnel.

The internal control structure has been designed based on perceived risks. Control implementation is the responsibility of management; however, employees are responsible for performing their specific job functions in support of the overall control environment. Management has defined its internal control activities as part of their business policies and procedures. Relevant controls have been documented within this Section of the report.

Conduct and Ethics

The owners and staff actively help ensure that their work meets the principles and behavioral expectations described in the Code of Conduct included in the Employee Handbook. All employees are expected to engage in active, ongoing communication and education to help ensure that these standards are consistently understood and applied. Adherence to these standards is required for continuing employment. Those in leadership roles set an example of the highest ethical and professional conduct in all interactions with clients, staff and prospects, while recognizing the impact of role models on the organization.

Commitment to Competence

The Employee Handbook sets forth formal personnel policies and procedures addressing new hires, The Employee Handbook sets forth formal personnel policies and procedures addressing new hires, screenings, training, evaluations, transfers, and separations. Employees are required to sign an acknowledgement page upon hire indicating they have read and understand the contents of the Employee Handbook. In addition, an approved organizational structure and job descriptions define each employee's assigned responsibility and lines of authority and reporting. To the extent possible, management has separated incompatible duties to help reduce the risk of error or unauthorized activity. Checklists and emails are used to communicate employee changes, such as hires and terminations, to appropriate groups within the organization.

Management requires that all employees undergo an annual performance evaluation that includes a self-assessment and supervisor review. Newly hired personnel undergo a performance evaluation after their 90 day introductory period. Human Resources (HR) is responsible for tracking the completion of all performance evaluations.

RISK ASSESSMENT

HHIA and many of its customers operate in a regulated environment that experiences regular change, particularly in areas that impact information privacy and security. Management acknowledges the importance of understanding how these changes impact the Company's operating environment.

The management of risk is considered to be an integral component of an effective organization. Management has integrated risk management practices into its governance framework, organizational structure, and business processes in order to make risk management an integral part of daily business operations. Currently, major risk review categories include areas such as material error in performance of services, changing regulatory landscape, staff training and succession planning, loss of major customers and compliance with applicable laws and regulations.

Each department is responsible for identifying significant risks in their areas of responsibility and implementing appropriate measures to address these risks. Routine meetings and a culture of consistent and open communication across the organization allows department managers to stay abreast of potential risks and issues. The Executive Committee meets monthly, or more frequently as needed, to review the status of each area of operations and to assess risks that could impact services to customers.

INFORMATION & COMMUNICATION

Various systems and methods of communication are used to help ensure employees understand their roles and responsibilities as they relate to internal controls and to help ensure that information is communicated in a timely manner. Business unit meetings and executive management meetings, along with committee tasks, status reports, and incident reporting are used to communicate projects, service delivery, processing issues, and general information to appropriate personnel.

All employees have access to policies and procedures through the intranet. Significant employment policies and procedures are provided as part of new hire orientation and documented in the Employee Handbook.

Each quarter, management hosts a company-wide meeting that includes business unit leader presentations, and discussion on company initiatives and strategies.

MONITORING

Management monitors the quality and performance of daily operations as a normal part of their activities. The open-door management policy promotes the continuous feedback of employee performance throughout the year. Additionally, employees are evaluated formally through an evaluation form and performance discussion each year.

The members of executive management meet frequently to discuss operations, business challenges, opportunities and to review the progress of strategic objectives and tasks. The Board and Executive Committee meet regularly throughout the year with management and review operational performance and the status of operating objectives.

CONTROL OBJECTIVES AND RELATED CONTROL ACTIVITIES

Although the control objectives and related control activities are described in Section 4, they are an integral part of H&H's description of its system.

The description of the service auditor's tests of operating effectiveness and the results of those tests are also presented in Section 4. They are adjacent to the organization's description of controls. The description of the tests of operating effectiveness and the results of those tests are the responsibility of the service auditor and should be considered information provided by the service auditor. The control objectives include:

Organization and Management

1. Controls provide reasonable assurance that personnel are properly hired, trained, evaluated, and supervised and employee responsibilities are reasonably segregated.

Defined Benefit Plans

2. Controls provide reasonable assurance that new/conversion Plans and related participant data are set up completely and accurately within the DB Plan system.
3. Controls provide reasonable assurance that benefit payments from the Plan are authorized and recorded completely and accurately according to request forms, supporting documentation, and Plan Provisions.
4. Controls provide reasonable assurance that forms required to be filed with the Federal government are prepared accurately and sent to the Plan Sponsors for filing in advance of required deadlines.
5. Controls provide reasonable assurance that actuarial valuations are based on accurate information.
6. Controls provide reasonable assurance that participant statements are prepared completely, accurately and timely.
7. Controls provide reasonable assurance that compliance tests required under ERISA, DOL and IRC rules and regulations are performed.

Logical Security and System Controls

8. Controls provide reasonable assurance that logical access to internal systems and data is restricted to authorized personnel.
9. Controls provide reasonable assurance that system upgrades to key applications are tested and authorized prior to implementation into production.

System Backup and Recovery

10. Controls provide reasonable assurance that critical applications and data are backed up regularly and restore testing is performed at least annually.

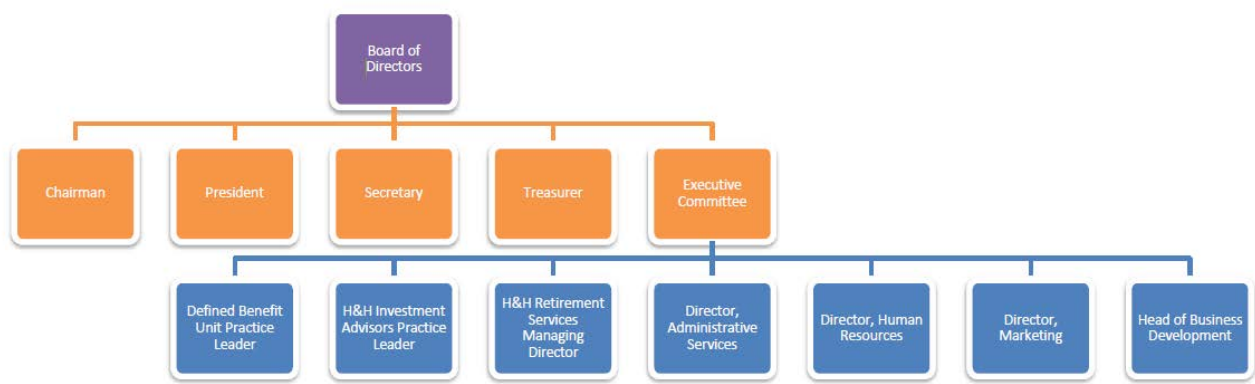
Physical Security and Environmental Controls

11. Controls provide reasonable assurance that facilities and computing equipment are physically and environmentally safeguarded.

ORGANIZATION AND MANAGEMENT

ORGANIZATION STRUCTURE

The President is responsible for overall management, business performance, and quality control. The President's primary responsibilities include executing the business plan, budgeting, developing new business, and reporting to the Board. These duties are shared with the Executive Committee. The Executive Committee is comprised of the President, individual business unit leaders, the Director of Administrative Services, the Director of HR, and the Head of Business Development. The Executive Committee reports to the Board. See below for a high level organization chart.



HIRING PRACTICES

Prior to an offer letter being sent to a candidate, the candidate must agree to a background check. The background checks are conducted by a third party screening company and include identity and address related searches, a criminal background check at the local, state, and federal level, verification of education, prior employment check, and a social security number verification.

If the candidate chooses to accept the offer letter, the candidate must sign the offer letter along with a Confidentiality & Non-Competition Agreement. New employees receive a copy of the Employee Handbook, Email Policy and Internet Policy, among other policies and must sign an acknowledgement that they have read, understand and agree to comply with the policies. Management has responsibility for the implementation of these policies, and to determine compliance with the policies is addressed as part of the annual performance evaluation process. HR circulates a New Employee Checklist to help ensure administrative procedures (personnel benefits elections, policy acknowledgements, information technology (IT) set up, and departmental requirements) are completed.

When a report of a potential or suspected violation of the policies is made, HR initiates appropriate action to review and/or investigate the reported matter. Employees are expected to fully cooperate during an investigation. Any employee who violates the internal policies and/or procedures is subject to disciplinary action imposed by management.



PERSONNEL PRACTICES

The Director of HR is responsible for HR administration. The HR Administrator is responsible for daily HR functions, including new hire set up procedures, termination procedures, training and performance review documentation, and personnel file maintenance.

Personnel training is accomplished through periodic security awareness sessions along with general and departmental specific training provided by supervisors. On a quarterly basis, company-wide meetings are held covering a specific area of relevant education to enhance employee awareness. Annually, a company-wide meeting is held to communicate company strategies and performance. New policies and/or procedures are also introduced at these meetings or as appropriate throughout the year.

Personnel are responsible for completing an annual Self Review Form. Once the Self Review Form has been received by HR, personnel also receive an annual performance review from their supervisors. HR has standardized the Self Review Form and performance evaluations to help ensure personnel and supervisors cover topics deemed valuable by management. HR tracks and maintains the Self Review Form and performance evaluation documentation for each employee.

TERMINATION PRACTICES

Upon notification of a termination, HR circulates an Employment Termination Checklist. The Employment Termination Checklist includes processes that a team of management personnel are responsible for completing. This includes IT related processes such as eliminating the terminated employee's ability to log into the domain, access to databases and email accounts. Other Employment Termination Checklist processes include operational matters and physical security items. If possible, HR and/or supervisors conduct an exit interview prior to the terminated employee's departure.



DEFINED BENEFITS OPERATIONS

INTRODUCTION

H&H provides a full range of actuarial services to its DB and Post-Retirement Medical (OPEB) clients, including actuarial consulting, actuarial valuations, Plan design, benefit calculations, and Plan administration.

PLAN SET UP AND CONVERSIONS

A Consultant is responsible for working with the client to determine the components of the Plan and to determine the scope of services to be provided by H&H's Actuarial Services group. An Engagement Agreement (Agreement) is prepared, outlining the services to be provided and the responsibilities of each party. The Agreement is signed by both H&H and the client.

Together with the Consultant, an Analyst is assigned to manage and oversee the conversion of a new client's benefit Plan data. A New Plan Checklist (Checklist) is completed by the Analyst to document the steps taken to establish the new Plan on the valuation and recordkeeping systems. The Checklist outlines the various steps that should be taken for most Plan conversions.

For existing Plans (the client has an existing Plan with another actuary), a Data/Document Request Letter is sent to the client and prior actuary to obtain information and establish a timeline for the conversion. The applicable documents requested are tracked in the Checklist.

Participant data received from the prior actuary is loaded into the PensionSoft, LLC's DB Precision recordkeeping system (DB Precision). Analysts obtain a Plan Document, a written document required for benefit Plans subject to ERISA, which describes the Plan's terms and conditions related to the operation and administration of the Plan. Provisions from the Plan Document are manually coded by the Analyst and an import utility is used to map the participant data. During the data import, a data validation process runs and flags any instances of errors or missing information to be resolved by the Analyst. A Valuation Extract Report is generated from DB Precision and the data is reviewed to help ensure that the information was loaded correctly.

The Plan Document provisions are also set up in the WinTech's ProVal plan valuation system (ProVal). Participant data is exported from DB Precision and imported into ProVal. The Analyst then produces a valuation output report from ProVal detailing Plan demographics and liabilities. This is compared to the last valuation completed by the prior actuary to determine that the liabilities were calculated successfully.

The set up and validation of data in DB Precision and ProVal are documented in the Checklist. The Checklist is signed once all applicable steps are completed by the Analyst and then reviewed and signed by a Consultant.

Most services that are contractually agreed to in the Agreement are scheduled on H&H's internally developed workflow system, WorkTracker. Analysts are assigned to clients in WorkTracker, and receive reminders and notifications for tasks and projects that are scheduled to be completed for their assigned clients.

BENEFIT PAYMENTS

Calculations for benefit payments to Plan participants are prepared by the Actuarial team. Calculation requests are received by the Actuarial team and entered into a client specific benefit calculation log in Excel indicating the request date and other calculation details. An Analyst prepares the calculations based on information provided by the client and information stored in H&H's databases. Any discrepancies in the data are resolved with the client. The Actuarial Team completes the calculations based on the Plan Provisions specified in the Plan Document. Benefit calculations are completed by the Analyst in either Excel or DB Precision and are reviewed prior to the final submittal to the Plan Sponsor. The final product displays all benefit options available to the participant. Both the preparer and reviewer initial the Benefit Calculation Log to indicate that the calculation was completed and reviewed.

Analysts provide the Plan Sponsor with the calculation of benefit options, along with a Benefit Election Package (if applicable). The Plan Sponsor distributes the Benefit Election Package to the participant. Participants review the information, make their election on a Benefit Election Form and return the Benefit Election Package back to their Plan Sponsor.

For clients that have outsourced the pension administration to H&H, H&H mails the election package directly to the participant and the participant returns the completed election forms directly to H&H.

For clients where H&H is responsible for processing the distribution, the distribution is set up and processed with the Custodian. The Benefit Election Package is received from the Plan Sponsor or participant and reviewed for completeness. Analysts verify there is sufficient cash in the trust for payment and, if needed, sell funds to cover the expense. Analysts prepare a Distribution Form for the Custodian by filling out a form on the Custodian's web portal, or filling out a paper form that is scanned and emailed to the Custodian. A peer review of the form is completed prior to submission of the distribution request to the Custodian. Analysts monitor the distribution to determine the transaction was completed and accurate.

ACTUARIAL VALUATIONS

H&H performs an actuarial valuation for the Plan on a regularly scheduled basis (usually annually). The annual valuation process begins with a request for new census data from the client. The new census data is imported into DB Precision, and then a series of validation reports are produced and reviewed. The purpose of the reports is to document the data update process and to assist in the data validation process. The reports are as follows:

- **Import Transaction Report:** Summarizes the new census data imported into DB Precision and any data changes that result from the import. This report also contains any errors that may have occurred during the import for correction.
- **Lifecount Reconciliation:** Reconciles participant counts between the prior valuation and the current valuation. This report produces a list of participants assigned to each status and any status changes.

- **Validations Report:** Provides a listing of data checks that are part of the valuation data update process. DB Precision looks at participant data and checks if it is reasonable based on standard errors that can be specified and customized by the Analyst. The Validation Report checks all the data in the system, not just the data imported for the current year. In addition, the system compares the current year valuation data to the prior year's valuation data and reports any changes.
- **Valuation Extract File (ValExtract):** Contains individual participant data that can be imported into ProVal for liability determination. The status determinations on this file are reviewed for accuracy.

Any errors identified in these reports are resolved, and the reports are regenerated to determine they were successful. For some clients, where census data is stored outside of DB Precision, a ValExtract is prepared in Excel with the new census data received. Data checks are completed in Excel and/or in ProVal by comparing the census data provided for the current year to the final data used in the prior year valuation, and performing standard reasonability checks.

The DB Precision ValExtract is imported into ProVal. Data validations are run on the import, and any formatting errors are identified and resolved. The ValExtract is re-run as needed until all errors have cleared. A valuation run is created in ProVal to produce the liabilities. The liabilities are calculated based on the census data (ValExtract), the Plan provisions and the actuarial assumptions that are specified in ProVal.

Current asset reports are obtained from Trust Custodians or the Plan Sponsor. Analysts prepare an asset reconciliation based on the information from the Asset reports, prior year's valuation, and any additional applicable information. The asset reconciliation is used to audit asset activity for general reasonableness. The Analyst also develops the actuarial value of assets and performs credit balance calculations, if applicable.

The Analyst produces a Sample Life report in ProVal. This Sample Life report shows the details of how liabilities are calculated in ProVal for one Plan participant and is used to check ProVal's calculations. Additionally, a Gain/Loss Report is generated and reviewed to determine that calculated liabilities were reasonable. Information from the Asset Reconciliation (i.e. ending market value, asset values, credit balances) is entered into ProVal.

After review of all supporting reports, a final Valuation Set is generated from ProVal (combining liabilities and asset values). The Valuation Set consists of a number of exhibits that are exported to Excel and become part of the final Valuation Report produced for the client. The exhibits include detailed information relating to Plan assets, liabilities, and the calculations of minimum required and maximum deductible contributions.

The Valuation Report is drafted and reviewed before it is finalized and sent to the client. The report is mostly based on the ProVal output, along with the supporting exhibits based on output from ProVal and DB Precision. A detailed Data Work Guideline and Valuation Guidelines document is used by the Analyst and Actuary that details the steps required to produce the supporting reports and reconciliations that make up the Valuation Report. WorkTracker is used to manage the Valuation Report process and the preparer and reviewer of the Valuation Report sign off in WorkTracker Project Checklist that all Valuation Guidelines were followed.

PARTICIPANT STATEMENTS

Participant statements are prepared by Analysts after annual actuarial valuation data work is completed. A process is run in DB Precision to calculate participant-level benefits and produce an Export Report in Microsoft Excel. The Export Report has all participants listed, with the data fields that would populate the statement. If the client's census data is maintained in Excel instead of DB Precision, the Export Report is prepared manually. The Export Report is reviewed against the total census count, and the prior year's Management Report to help ensure changes are reasonable or can be explained. A Management Report is prepared, if applicable, summarizing participant details in Excel.

A Microsoft Word document is prepared from the Export Report, creating a statement for each participant. Merged participant statements are checked on a sample basis (typically one from each group, if applicable). An Actuary is responsible for reviewing the participant statements along with supporting reports. After the review is complete, an Analyst prepares a single Adobe Acrobat Portable Document Format (PDF) of the statements and sends them (along with the Management Report) to the Plan Sponsor via email or mailed in hard copy.

GOVERNMENT FORMS

PBGC Forms

The PBGC is a federal agency created by ERISA to protect pension benefits in private DB Plans. PBGC's insurance program pays participants the benefit provided by the pension Plan up to the limits set by law. The Plan Sponsor is responsible for paying the annual insurance premiums. In accordance with the terms of the individual engagement agreements, H&H is responsible for preparing the PBGC filing so the client can submit the filing and the payment for the annual premium.

Premium filing deadlines are typically nine and half months after the start of the Plan.

WorkTracker Project Checklist tasks are created during the initial client set up with annual due dates based on the Plan year. Analysts receive WorkTracker notification of the PBGC premium filing tasks. The filing is completed on the PBGC's online portal called My Plan Administration Account (MyPAA.com). Consultants, Analysts and clients have log-on credentials to the Plan's account on MyPAA.com. The Analyst is responsible for preparing the filing form on MyPAA.com. Workflow routing on MyPAA.com can be customized based on the client's preferences. After the filing is prepared, it is routed internally to H&H to undergo review by an Actuary. The Actuary performs their review, and signs the filing electronically on MyPAA.com. The signed filing is routed to the client for review, and the client is responsible for finalizing the payment and submission to the PBGC. The Analyst monitors the status of the filing, and downloads the final premium filing form including receipt after it is submitted by the client.

Preparation and review steps for the PBGC premium filing are also logged in WorkTracker Project Checklists.

Form 5500

Form 5500 tasks are also scheduled and recorded in WorkTracker with due dates set based on the Plan year. H&H prepares the required Forms 5500 using ftwilliam.com software. Plan information is entered into the Form 5500 software from annual reports that are either produced by H&H or provided by the client or their service providers. Data requests are made to the client if additional information is required for the filing.

Analysts prepare the Form 5500 and related schedules using the ftwilliam.com system. An Actuary is responsible for reviewing the entire 5500 filing and signing the Single Employer DB Schedule (Schedule SB). If required by the client, a draft of the Form 5500 is downloaded from ftwilliam.com and emailed to the client and/or their auditors for review.

To finalize the filing, H&H sends an email to the client with a link to their DOL Form 5500 on ftwilliam.com. Once an invitation is sent to the Plan Administrator/Plan Sponsor the Form 5500 has an "invited" status in the ftwilliam.com software to indicate that the Form 5500 is prepared and waiting for action by the client. The email instructions require the client to print and review the Form 5500. The client must input his/her user identification (ID) and personal identification number (PIN) to electronically sign the Form 5500. Once the client has electronically signed the Form 5500, the Form is automatically submitted to the DOL for filing. The ftwilliam.com software indicates the filing status of the Form 5500 with the DOL. When the Form 5500 has been accepted by the DOL, the ftwilliam.com software indicates an "accepted" status.

The H&H Analyst monitors the status of the filing, and downloads the final Form 5500 from the DOL website after it is signed and submitted by the client.

Preparation and review steps for the Form 5500 filing are also logged in WorkTracker Project Checklists.

ANNUAL COMPLIANCE

Defined Benefit Plans that are subject to ERISA are required to comply with various rules regarding non-discrimination and distribution requirements. A plan may need to demonstrate that it is in compliance through a non-discrimination test, or a test may not be needed if the plan meets certain characteristics.

Each corporate plan is reviewed during the annual valuation work process to determine if any compliance tests are required. The annual review is documented on a Compliance Checklist by an Analyst and reviewed by a Consultant. Required tests are performed and documented either in WorkTracker or the Compliance Checklist. Any issues noted as a result of the compliance tests are communicated to the client.

SYSTEM OVERVIEW

ORGANIZATION

The Network Administrator is responsible for systems management. A Systems Analyst provides backup support to the Network Administrator. The Director of Administrative Services provides administrative backup to the Network Administrator. The Network Administrator and Systems Analyst report to the Director of Administrative Services.

SYSTEMS

Network

A local area network (LAN) provides file and print sharing, email, internet access, and access to core production systems to employees. The LAN runs the Microsoft Windows Server operating system (OS) with Active Directory. There are multiple domain controllers that synchronize continuously throughout the day.

There are approximately sixteen servers deployed as file servers, application servers, or database servers. All servers are equipped with redundant array of independent disks (RAID) disk arrays, redundant power supplies, and redundant network interface cards (NIC). All servers are connected to surge filtering uninterruptible power supply (UPS) systems. Each UPS has the capacity to provide a 10-20 minute supply of power to allow for orderly system shutdowns in the event of a power outage.

All personal computer (PC) workstations are configured with anti-virus (AV) protection, personal firewall, and host-based intrusion detection system (HIDS) solutions. Hardware and software inventory is maintained by the Network Administrator.

A third-party network security vulnerability scanning solution is in place. Servers and PCs are configured to log security events to an event log. The scanning solution monitors the event log for certain events based on severity. The scanning solution is also configured to email high severity alerts to the Network Administrator.

A fiber circuit is maintained to the primary internet service provider (ISP). A backup cable connection exists to the secondary ISP. The cable connection is used for off-site syncing with the backup vendor and can be used if the fiber circuit is not available.

All network infrastructure equipment, data wiring, and telephone equipment and wiring are stored in locked rooms. Only IT and the Facilities Manager have access to these rooms.

Email

An email system is in place, hardened with a dedicated AV, anti-spam, and anti-phishing security appliance that eliminates email threats prior to reaching the email server. In addition, Company email that contains non-public information must be encrypted using a third-party email encryption solution.

AV and Patch Management

AV is running on all servers and workstations managed centrally from a dedicated in-house server. New AV signatures are downloaded as they become available and then pushed to servers and PCs at pre-determined intervals. In addition, the system is also configured to run full scans on all servers and workstations overnight. The system is configured to email a weekly summary report to the Network Administrator and log to a central syslog server.

Each server and PC is configured to independently download OS updates through Windows Update Services. Updates are monitored by the Network Administrator.

SYSTEM BACKUP

Backups are performed via a network attached storage (NAS) backup system that is also configured to replicate data off-site. Backups are run one or more times per day depending on the server. Backups are stored and queued on the internal NAS then streamed (replicated) to a cloud-based provider for storage.

The backup solution is configured to take one full backup (bare metal) when a new server is installed, and after that only data that has changed is backed up. These backups are then automatically applied to the last backup, so at any time a full, current backup is ready for fast recovery and the entire system can be virtualized on the local NAS or in the cloud.

The Network Administrator performs a weekly review of backups and off-site replication for integrity and performance issues.

REMOTE ACCESS

Employees are prohibited from removing data from the premises. Remote access to office systems is provided via secure virtual private network (VPN) solution with 128-bit advanced encryption standard (AES) encryption, dual passwords, and end-to-end authentication. The Network Administrator adds or removes remote users, establishes authentication requirements, and monitors access logs.

An inventory of "travel laptop" computers can be signed out by authorized staff for remote access. The travel laptops have encrypted hard drives, updated AV signatures, current OS patches, and a personal firewall. Employees can also use their home PCs to connect after the Network Administrator has verified the home PCs have appropriate AV and firewall protection.

MONITORING PROCEDURES

The Network Administrator monitors system consoles, email alerts, and reports to identify potential system vulnerabilities or performance issues. The Network Administrator has also implemented a series of Log Review Checklists to document the results of this review. Checklists are set up for weekly and monthly review activities and address areas such as verifying backup integrity through log reviews, reviewing core servers for integrity and performance issues, verifying AV and patch updates, and reviewing security logs.

CORE SOFTWARE APPLICATIONS

DB Precision

H&H licenses DB Precision software for DB Plan recordkeeping. The application is installed in-house on individual desktop computers that access Plan information on a database server. Access is controlled by user IDs and passwords. When the vendor notifies H&H that updates are available, an assigned Analyst with the appropriate expertise is responsible for testing and reviewing the changes in a non-production environment. All changes are then reviewed by the business unit leader before implementation to production.

PEP

The PEP system is licensed as a customer portal (for Plan participants and Plan Sponsors) to DB Plan information maintained in DB Precision. PensionSoft hosts PEP at a colocation hosting facility. A hierarchy of roles and permissions defines who can access data from the PEP website. Roles include Plan Sponsor, Plan participant, and DB Analyst access. Strong passwords are required to access the PEP website. User IDs are generated and assigned to users. Passwords are stored in encrypted format.

ProVal

H&H licenses ProVal pension Plan valuation, projection, and compliance testing system. ProVal is run in-house in a client server environment. ProVal produces liability values and calculates funding contributions and accounting expense. ProVal integrated valuation and projection software is continually monitored and upgraded by industry professionals, and allows flexibility and efficiency in each client's valuation process. When the vendor notifies H&H that updates are available, an assigned Analyst with the appropriate expertise is responsible for testing and reviewing the changes in a non-production environment. All changes are then reviewed by the business unit leader before implementation to production.

Schwab RT

Schwab RT integrated retirement Plan recordkeeping solution is licensed for day-to-day Plan administration. Schwab RT offers an application service provider (ASP) option, a technology outsourcing solution. The Schwab RT ASP system is used for DB Plan investment-level information and trading. Also, the Schwab Automated Retirement Processing (SchARP) is used via ASP to automate certain back-office operational processes such as reconciliations.

Access to these applications is controlled through secure web sessions and encrypted connection services. Schwab uses the Citrix platform to connect users to their data center. Users enter a Citrix XenApp username and password (issued and managed by Schwab) and are presented with system options approved for them. When the user selects Schwab RT, they must enter a Schwab user ID and password (issued by Schwab). Group designations set in Schwab control what options are available to the user. Access authorities are managed by two staff members with administrator privileges in the system.

On an annual basis, SOC reports are obtained and reviewed for Schwab to help ensure that system and processing controls are present and are tested as part of auditing. This review is recorded using SOC Review Checklists.

PHYSICAL SECURITY AND ENVIRONMENTAL CONTROLS

PHYSICAL SECURITY

H&H is located in an office building in West Hartford, CT. External entry points are controlled through a web-based access control system. Employees are granted key fobs upon hire and instructed to notify management if the key fob is misplaced. Key fobs are required to be used at all times to gain access into the facility. All employees have access into the facility at all times through a physical key to gain entrance into the building and the key fob system to gain entry into the facility. The Director, Administrative Services and the Network Administrator are responsible for receiving entry alerts, monitoring access, granting and disabling access, and restricting access for individuals. All external entry points are locked at all times.

A receptionist is responsible for granting access to visitors. The receptionist maintains two controls, one that allows the magnetic lock to release, allowing entry from a visitor, and a second control which is set to send a silent alarm to individuals throughout the organization. An emergency evacuation plan has been built allowing for the secure and safe evacuation in cases of emergency. Upon entry, all visitors are required to sign into a Guest Registry. The receptionist is responsible for contacting the employee who is responsible for escorting the visitor to locations throughout the office. Visitors are required to wear a visitor badge at all times or be escorted by an employee.

The internal Server/Telco Room is only accessible through a combination cipher locked door. Only members of IT and Facilities Management know the combination. Upon termination of an IT member or Facilities Management, the combination is changed to help ensure security of the Server/Telco Room. At times, visitors are granted access into the Server/Telco Room when escorted by a member of IT. All visitors are required to sign into a Visitor Log.

A Clean Desk Policy is maintained as part of their Employee Handbook. In support of the Clean Desk Policy, secure shred bins are located throughout their facility. A third party vendor is contracted for confidential shredding of H&H paperwork.

ENVIRONMENTAL SECURITY

A dedicated Server/Telco Room exists within the facility. This Server/Telco Room houses servers, network devices and wiring. Each server rack is connected to a UPS. The UPS is regularly maintained and UPS batteries are replaced based on a recommended battery replacement schedule provided by the UPS supplier. Servers receive scheduled maintenance as part of their contract with the server warranty. The Network Administrator is responsible for UPS and server maintenance planning and execution.

As part of the contract with building management, heating, ventilation, and air conditioning (HVAC) and fire suppression services are provided through the Facilities Management. The Director of Administrative Services is responsible for ensuring Facilities Management performs HVAC and fire suppression maintenance.

USER CONTROL CONSIDERATIONS

In all processing environments, there are certain controls and procedures that users should be responsible for performing to help ensure the quality of service and integrity of the processing. The controls in place at H&H represent only a portion of the overall internal controls of user entities, and H&H has designed its controls under the assumption that certain controls are implemented by the user entities. The implementation of certain controls at the user entities is necessary to enhance the efficacy of the controls and to achieve certain control objectives.

This section describes certain controls that should be in place to achieve the control objectives identified in Section 4. The Complementary User Controls presented below should not be regarded as a comprehensive list of all controls that the user entities should employ.

1. The client should review all Plan set up reports, conversion reconciliations, and notices during the conversion process.
2. The client is responsible for submitting all Plan provision changes in writing and forwarding that information to H&H.
3. The client is responsible for verifying distribution requests and monitoring requirements for distributions before paperwork is forwarded to H&H.
4. The client is responsible for notifying H&H of participant status changes (retirement, termination, or death, etc.) in a timely manner.
5. The client should provide H&H with year-end and census information in good order and in a timely manner.
6. The client should verify and maintain all regulatory testing results.
7. Plan sponsors and participants should keep passwords confidential and change passwords on a periodic basis.



SUBSERVICE ORGANIZATION CONTROL CONSIDERATIONS

In all processing environments, there are certain controls and procedures that subservice organizations should be responsible for performing to help ensure the quality of service and integrity of the processing. The controls in place at H&H represent only a portion of the overall internal controls of subservice organizations, and H&H has designed its controls under the assumption that certain controls are implemented by the subservice organizations. The implementation of certain controls at the subservice organizations is necessary to enhance the efficacy of the controls and to achieve certain control objectives.

This Section describes certain controls that should be in place to achieve the control objectives identified in Section 4. The Complementary Subservice Organization Controls presented below should not be regarded as a comprehensive list of all controls that the subservice organizations should employ.

1. The subservice organization is responsible for holding and safeguarding the security assets.
2. The subservice organization is responsible for settlement of purchases and sales of securities.
3. The subservice organization is responsible for administering corporate actions.
4. The subservice organization is responsible for maintaining bank accounts and managing cash transactions.
5. The subservice organization is responsible for processing transactions as directed by H&H.

SECTION 4

INFORMATION PROVIDED BY BERRYDUNN

PURPOSE AND SCOPE OF THE REPORT

This report is intended to provide interested parties with information about H&H's controls that may affect the processing of transactions, and to provide information about the operating effectiveness of the controls that were tested. The information contained in this report, when combined with an understanding of the controls in place at the user entities, is intended to assist the user entities' financial statement auditors in planning the audit of the user entities, and in assessing control risk for assertions in the user entities' financial statements that may be affected by controls at H&H.

The examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. It is the responsibility of each user of this report to evaluate the information contained in this report in relation to the controls in place at the user entity. If certain complementary controls are not in place at the user entities, H&H controls may not compensate for such weaknesses.

UNDERSTANDING THE CONTROL ENVIRONMENT

The control environment represents the collective effect of various elements in establishing or enhancing the effectiveness of specific controls. In addition to tests of specific controls described below, our procedures included tests of, or consideration of, the relevant elements of H&H's control environment, including:

- H&H's organizational structure and its approach to segregation of duties.
- The control methods of management.
- HR policies and practices of H&H.

In order to obtain an understanding of the control environment, we included the following procedures, to the extent we considered necessary: (1) a review of organizational structure, including management controls, the segregation of functional responsibilities, policy statements, accounting and processing manuals, and HR policies; (2) discussions with management, operations, administrative, and other personnel who are responsible for developing, ensuring adherence to, and applying controls; and (3) observations of personnel in the performance of their assigned duties.

Our assessment of the control environment was considered in determining the nature, timing, and extent of tests of operating effectiveness of certain controls relevant to achievement of the control objectives specified in this Section.

TESTS OF OPERATING EFFECTIVENESS OF SPECIFIED CONTROLS

Our examination of the operating effectiveness of certain controls of H&H was restricted to the control objectives and related controls specified by H&H in this section, and was not extended to controls in effect at user entities.

Our tests of the operating effectiveness of controls included such tests as were considered necessary in the circumstances to evaluate whether those controls, and the extent of compliance with them, were sufficient to provide reasonable, but not absolute, assurance that the specified control objectives were achieved during the period October 1, 2017 through September 30, 2018.

Our tests of the operating effectiveness of controls were designed to cover a representative number of transactions throughout the period October 1, 2017 through September 30, 2018, for each of the controls listed in this section, which are designed to achieve the specified control objectives. In selecting particular tests of the operating effectiveness of controls, we considered: (1) the nature of the controls being tested; (2) the types and competence of available evidential matter; (3) the nature of the control objectives to be achieved; and (4) the expected efficiency and effectiveness of the test.

Test procedures performed in connection with determining the operating effectiveness of internal controls detailed in this Section are described below.

Test Procedure	Description
Observation	Observed the application or existence of controls within the service organization.
Inspection	Inspected documents and reports that contain an indication of performance of the internal control policy or procedure. This includes, among other things, review of statistical and accounting reports, review of policies and procedures, and review of other control documents.
Performance/Reperformance	Performed transactions in a test environment to determine whether system controls properly process transactions. Reperformed the control or processing application of the control to determine the accuracy of its operation.

Organization and Management

Control Objective 1: Controls provide reasonable assurance that personnel are properly hired, trained, evaluated, and supervised and employee responsibilities are reasonably segregated.

No.	H&H Control Activities	Tests Performed by BerryDunn	Results of Tests
1.1	Organization charts and job descriptions are maintained to document personnel reporting lines and maintain segregation of duties	Inspected organization charts to determine reporting lines are documented. Inspected job descriptions to determine that there is proper segregation of duties.	No relevant deviations noted.
1.2	HR completes a HR Report on a monthly basis to notify Executive Management of HR activity. The Executive Committee meets monthly to discuss organizational plans, position changes, and other HR issues that arise.	Inspected HR Reports for a selection of months to determine HR completes a HR Report on a monthly basis. Inspected Executive Committee meeting minutes for a selection of months to determine the Executive Management team meets monthly to discuss plans, changes, and project updates.	No relevant deviations noted.
1.3	Prior to hiring, all candidates are subject to a criminal background check and SSN verification.	Inspected completion of criminal background checks and SSN verifications for a selection of new employees to determine all new employees are subject to a criminal background check and SSN verification.	No relevant deviations noted.
1.4	Employment policies are documented in an Employee Handbook. New employees sign an acknowledgement form that they have received and understand the Employee Handbook.	Inspected the Employee Handbook to determine employment policies are documented. Inspected Employee Handbook acknowledgement forms for a selection of new employees to determine new employees sign an acknowledgement that they have received and understand the Employee Handbook.	No relevant deviations noted.

No.	H&H Control Activities	Tests Performed by BerryDunn	Results of Tests
1.5	New employees must read and acknowledge a Confidentiality and Non-Competition Agreement, Email Policy, and Internet Policy prior to the commencement of his or her duties.	Inspected signed acknowledgements of the Confidentiality and Non-Competition Agreement, Email Policy, and Internet Policy for a selection of new employees to determine new hires must sign acknowledgements as a condition of employment.	No relevant deviations noted.
1.6	HR initiates and circulates a New Employee Checklist to help ensure administrative procedures (including employment forms, policy review, security training, and computer equipment and software set up) are completed.	Inspected New Employee Checklists for a selection of new employees to determine New Employee Checklists are completed.	No relevant deviations noted.
1.7	All employees complete an Employee Performance Feedback and Goal-Setting Program Self-Review Form and receive a written annual performance review from their supervisor. Completion of the Self-Review Form and performance review is tracked by HR.	Inspected the performance review tracking spreadsheet maintained by HR to determine employees complete an Employee Performance Feedback and Goal-Setting Program Self-Review Form and receive a performance review.	No relevant deviations noted.
1.8	HR completes and circulates an Employment Termination Checklist for all terminations to help ensure Company assets are recovered and system access is disabled. Completed forms are retained in the individual's personnel file.	Inspected Employment Termination Checklists for a selection of to determine HR completes and circulates the Employment Termination Checklist upon employee termination. Inspected system user and access lists to determine terminated employees no longer have access rights into systems.	No relevant deviations noted.

Defined Benefit Plans – Conversion Plan Set Up

Control Objective 2: Controls provide reasonable assurance that new/conversion Plans and related participant data are set up completely and accurately within the DB Plan system.

No.	H&H Control Activities	Tests Performed by BerryDunn	Results of Tests
2.1	An engagement agreement outlining the services to be provided and the responsibilities of each party is signed by H&H and the client.	Inspected engagement agreements for a selection of new Plans to determine that the agreement outlines the services to be provided, the responsibilities of each party, and includes signatures by H&H and the client.	No relevant deviations noted.
2.2	A data request is sent to the client and prior actuary requesting data that is required as part of the conversion process. An Analyst verifies that the requested data is received.	Inspected New Plan Checklists for a selection of new Plans to determine that a data request is sent to the client and prior actuary and that receipt of requested data is tracked.	No relevant deviations noted.
2.3	An Analyst loads participant data received from the prior actuary or client into DB Precision. Validation checks are performed by the system and issues are reviewed and cleared by the Analyst.	Inspected New Plan Checklists for a selection of new Plans to determine that data is loaded into DB Precision and validation checks are performed and any issues are reviewed and cleared by the Analyst.	No relevant deviations noted.
2.4	ProVal is set up with proper Plan and assumption coding and participant data. A Consultant reviews the ProVal set up to verify Plan provisions, participant data and assumptions are correctly reflected.	Inspected New Plan Checklists for a selection of new Plans to determine that ProVal is set up with Plan coding and participant data, and that actuarial assumptions are reviewed and documented by the Consultant.	No relevant deviations noted.

No.	H&H Control Activities	Tests Performed by BerryDunn	Results of Tests
2.5	An Analyst runs valuation output in ProVal. The valuation output is reviewed and compared against the final valuation performed by the prior actuary.	Inspected New Plan Checklists for a selection of new Plans to determine that a valuation output was run, reviewed, and compared by the Analyst, to the final valuation performed by the prior actuary.	No relevant deviations noted.
2.6	All work performed by Analysts for new Plan set up is documented on a New Plan Checklist which is reviewed by a Consultant prior to commencing any work for the client.	Inspected New Plan Checklists for a selection of new Plans to determine that they outlined the steps required for new Plan set up and were completed and reviewed prior to starting work on the new Plans.	No relevant deviations noted.

Defined Benefit Plans – Benefit Payments

Control Objective 3: Controls provide reasonable assurance that benefit payments from the Plan are authorized and recorded accurately according to request forms, supporting documentation, and Plan Provisions.

No.	H&H Control Activities	Tests Performed by BerryDunn	Results of Tests
3.1	Requests for benefit payment calculations for a participant are received by an Analyst directly from the client contact or via the PEP web portal. The Analyst confirms the request came from an authorized individual and the participant indicative data is confirmed by the Analyst.	Inspected benefit calculation logs for a selection of benefit calculation requests to determine that logs track the completion, review, and submission of the benefit calculation. Inspected benefit calculation materials for a selection of benefit calculation requests to determine that Analysts processed the calculation after confirming the indicative data.	No relevant deviations noted.
3.2	All benefit calculation requests are logged on a spreadsheet to track the details of the request and the completion, review, and submission of the benefit calculation.	Inspected benefit calculation logs for a selection of benefit calculation requests to determine that logs track the completion, review, and submission of the benefit calculation.	No relevant deviations noted.
3.3	Benefit payment calculations are prepared by an Analyst and reviewed by a second Analyst or Consultant prior to being sent to the client or participant.	Inspected benefit calculation logs for a selection of benefit calculation requests to determine that logs document the Analyst who prepared the benefit calculation, and the second reviewer.	No relevant deviations noted.
3.4	Completed benefit payment forms and related supporting documentation are received by an Analyst to verify that the forms are complete, consistent with the information on file, and properly authorized.	Inspected benefit payment forms and related supporting documentation for a selection of benefit payments to determine that forms are received and verified by an Analyst prior to processing the payment.	No relevant deviations noted.

No.	H&H Control Activities	Tests Performed by BerryDunn	Results of Tests
3.5	For clients that H&H is responsible for processing the distribution, the required Custodian distribution form (periodic payment or non-periodic payment form) is completed and peer reviewed before it is submitted to the Custodian for processing the payment. Analysts monitor the transaction on the Custodian's web portal to verify the transaction was completed and agrees to the original distribution form.	Inspected Custodian distribution forms for a selection of benefit payments to determine that forms were completed and peer reviewed prior to submitting to the Custodian for processing. Inspected payment confirmation from the Custodian to determine that the Analyst verifies that the transactions were completed and accurate.	No relevant deviations noted.
3.6	On an annual basis, SOC reports are obtained and reviewed for the Custodian, to help ensure that system and processing controls are present and are tested as part of audit. This review is recorded using SOC Review Checklists.	Inspected SOC Review Checklists for the Custodian to determine that annual review of system and processing controls is documented.	No relevant deviations noted.

Defined Benefit Plans – Government Forms Preparation

Control Objective 4: Controls provide reasonable assurance that forms required to be filed with the Federal government are prepared accurately and sent to the Plan Sponsors for filing in advance of required deadlines.

No.	H&H Control Activities	Tests Performed by BerryDunn	Results of Tests
PBGC Premiums			
4.1	Annual premium filings required by the PBGC are prepared using the PBGC web portal, MyPAA.com. MyPAA.com requires a unique user ID and password for access.	Observed access to MyPAA.com to determine that a unique user ID and password is required for access.	No relevant deviations noted.
4.2	An Analyst populates the required information to complete the PBGC premium filing on MyPAA.com. The filing is routed to an Actuary for review and electronic approval.	Inspected WorkTracker Project Checklists for a selection of PBGC premium filings to determine that the filing was prepared by an Analyst, and reviewed and electronically signed by an Actuary. Inspected the completed PBGC premium filing for a selection of PBGC premiums filed to determine that it was electronically signed by an Actuary.	No relevant deviations noted.
4.3	The filing is routed to the Plan Sponsor for electronic submission to the PBGC in advance of the filing deadline. H&H monitors MyPAA.com to track the submission of the premium filing. An Analyst saves the completed premium filing to the client folder.	Inspected WorkTracker Project Checklists for a selection of PBGC premium filings to determine that the filing was submitted timely to the Plan Sponsor for filing with the PBGC. Inspected the completed PBGC premium filing for a selection of PBGC premiums filed to determine that it was saved to the client file.	No relevant deviations noted.

No.	H&H Control Activities	Tests Performed by BerryDunn	Results of Tests
4.4	WorkTracker is used to schedule and track the completion of annual PBGC premium filings.	Inspected WorkTracker Project Checklists for a selection of PBGC premium filings to determine all required WorkTracker steps were completed.	No relevant deviations noted.
Form 5000			
4.5	An Analyst prepares the required Form 5500 filings on ftwilliam.com software using information obtained from the annual valuation. Additional data is requested as needed. The Schedule SB is signed by an Actuary and uploaded to ftwilliam.com as an attachment to the completed 5500 filing.	Inspected WorkTracker Project Checklists for a selection of Form 5500 filings to determine that additional data was requested as needed. Inspected WorkTracker Project Checklists for a selection of Form 5500 filings to determine that the Form 5500 is prepared by an Analyst and reviewed prior to submission to the client. Inspected completed Form 5500 documentation for a selection of Form 5500 filings to determine that the Schedule SB is signed by an Actuary.	No relevant deviations noted.
4.6	The filing is routed to the client for electronic submission to the DOL in advance of the filing deadline. H&H monitors ftwilliam.com for the submission of the Form 5500. The completed Form 5500 is saved to the client folder.	Inspected WorkTracker Project Checklists for a selection of Form 5500 filings to determine that the filing was submitted to the client for filing with the DOL in advance of required deadlines. Inspected the completed Form 5500 filing for a selection of Form 5500s filed to determine it was submitted to the DOL and the final copy of the Form 5500 was added to the client folder.	No relevant deviations noted.



No.	H&H Control Activities	Tests Performed by BerryDunn	Results of Tests
4.7	WorkTracker is used to schedule and track the completion of annual Form 5500 filings. If filing an extension is required, the Form 5558 filing is also tracked via WorkTracker.	Inspected WorkTracker Project Checklists for a selection of Form 5500 filings to determine all required WorkTracker steps were completed. Inspected WorkTracker Project Checklists for a selection of Form 5558 filings to determine all required WorkTracker steps were completed.	No relevant deviations noted.

Defined Benefit Plans – Annual Valuations

Control Objective 5: Controls provide reasonable assurance that actuarial valuations are based on accurate information.

No.	H&H Control Activities	Tests Performed by BerryDunn	Results of Tests
5.1	Data Work Guidelines and Valuation Work Guidelines detail the procedures for Analysts and Consultants to follow for preparing annual valuations, including review steps and output reports required from DB Precision and ProVal. Analysts and Consultants document their review of the completed Work Guidelines in WorkTracker.	Inspected Data Work Guidelines and Valuation Work Guidelines to determine that detailed procedures for preparing and reviewing annual valuations and supporting work are documented. Inspected WorkTracker Project Checklists for a selection of actuarial valuations to determine that Work Guidelines were completed and reviewed for each valuation.	No relevant deviations noted.
5.2	Census data requests are sent to the client to update census data for the current valuation cycle.	Inspected Data Work Guidelines and Valuation Work Guidelines to determine that procedures include obtaining updated census data. Inspected WorkTracker Project Checklists for a selection of actuarial valuations to determine that data requests for updated census data are sent to the client.	No relevant deviations noted.
5.3	Census data returned from the client is loaded into DB Precision. Validation and integrity checks are performed by DB Precision. Any errors are reviewed and resolved by an Analyst.	Inspected Data Work Guidelines and Valuation Work Guidelines to determine that procedures include validation checks on census data. Inspected WorkTracker Project Checklists for a selection of actuarial valuations to determine that census data is loaded into DB Precision and any errors are reviewed and resolved by an Analyst.	No relevant deviations noted.

No.	H&H Control Activities	Tests Performed by BerryDunn	Results of Tests
5.4	The following DB Precision output reports are produced and reviewed for accuracy by the Analyst: • Import Transaction Report • Lifecount Reconciliation • Validations Report • Valuation Extract File	Inspected Data Work Guidelines and Valuation Work Guidelines to determine that procedures include reviewing DB Precision output reports for accuracy. Inspected WorkTracker Project Checklists for a selection of actuarial valuations to determine output reports were produced and reviewed for each valuation.	No relevant deviations noted.
5.5	A Valuation Extract is exported from DB Precision and imported to ProVal. Formatting checks are performed, and any errors are identified and resolved by an Analyst.	Inspected Data Work Guidelines and Valuation Work Guidelines to determine that procedures include preparing the Valuation Extract and resolving any errors. Inspected WorkTracker Project Checklists for a selection of actuarial valuations to determine Work Guidelines were completed and reviewed for each valuation.	No relevant deviations noted.
5.6	The Analyst prepares an Asset Reconciliation based on custodial statements to verify contributions deposited, distributions paid, income and expense items, and ending market values. Asset values are input into ProVal.	Inspected Data Work Guidelines and Valuation Work Guidelines to determine that procedures include preparing an Asset Reconciliation based on custodial statements. Inspected WorkTracker Project Checklists for a selection of actuarial valuations to determine Work Guidelines were completed and reviewed for each valuation.	No relevant deviations noted.

No.	H&H Control Activities	Tests Performed by BerryDunn	Results of Tests
5.7	The following ProVal output reports are produced and reviewed for accuracy by the Analyst: • Sample Life Report • Gain/Loss Report • Valuation Set	Inspected Data Work Guidelines and Valuation Work Guidelines to determine that procedures include reviewing ProVal output reports for accuracy. Inspected WorkTracker Project Checklists for a selection of actuarial to determine Work Guidelines were completed and reviewed for each valuation.	No relevant deviations noted.
5.8	A draft Valuation Report, consisting of the ProVal Valuation Set, Asset Reconciliation, and other exhibits and written assumptions, is drafted by an Analyst and subject to a detailed review by a Consultant.	Inspected Data Work Guidelines and Valuation Work Guidelines to determine that procedures are in place for preparation and review of the Valuation Report. Inspected WorkTracker Project Checklists for a selection of actuarial valuations to determine Work Guidelines were completed and reviewed for each valuation.	No relevant deviations noted.
5.9	The final Valuation Report package is prepared by an Analyst and reviewed by a Consultant prior to being sent to the client.	Inspected Data Work Guidelines and Valuation Work Guidelines to determine that procedures are in place for preparation and review of the Valuation Report. Inspected WorkTracker Project Checklists for a selection of actuarial valuations to determine the final Valuation Report package is prepared by an Analyst and reviewed by a Consultant prior to being sent to the client. Inspected the final Valuation Report for a selection of actuarial valuations to determine the report was prepared and sent to the client.	No relevant deviations noted.

Defined Benefit Plans – Participant Statements

Control Objective 6: Controls provide reasonable assurance that participant statements are prepared completely, accurately and timely.

No.	H&H Control Activities	Tests Performed by BerryDunn	Results of Tests
6.1	Statement Work Guidelines detail the procedures for Analysts and Consultants to follow for preparing participant statements, including review steps and supporting reports. Analysts and Consultants document their review of the completed Work Guidelines in WorkTracker.	Inspected Statement Work Guidelines to determine that detailed procedures for preparing and reviewing participant statements and supporting work is documented. Inspected WorkTracker Project Checklists for a selection of participant statements to determine that Work Guidelines were completed by an Analyst and reviewed.	No relevant deviations noted.
6.2	As part of the Statement Work Guidelines, upon completion of the annual valuation data, an Analyst generates a report from DB Precision containing all the fields that appear on a participant statement. This file and the prior year participant statement information are imported into Excel and compared to determine any changes are reasonable.	Inspected WorkTracker Project Checklists for a selection of participant statements to determine that the “review complete within job guidelines” task is completed and reviewed as part of the participant statement preparation.	No relevant deviations noted.
6.3	A Management Report which summarizes all participant statement details is created and reviewed by the Analyst.	Inspected Statement Work Guidelines to determine that procedures are in place for generating and reviewing the Management Report. Inspected WorkTracker Project Checklists for a selection of participant statements to determine that Statement Work Guidelines were completed by Analysts.	No relevant deviations noted.

No.	H&H Control Activities	Tests Performed by BerryDunn	Results of Tests
6.4	The statement file is reviewed to determine that all applicable participants are listed and compared to the total number of active employees listed on the actuarial valuation.	Inspected Statement Work Guidelines to determine procedures are in place for reviewing the statement file for total number of participants. Inspected WorkTracker Project Checklists for a selection of participant statements to determine Work Guidelines were completed and reviewed for participant statement preparation.	No relevant deviations noted.
6.5	Participant statements are prepared by merging the information in Excel with a statement template in Word. Individual participant statements are reviewed on a sample basis before the statement package is provided to a consultant for review. The final statement package is provided to the client for distribution to participants.	Inspected Statement Work Guidelines to determine procedures are in place for the preparation and review of statements. Inspected WorkTracker Project Checklists for a selection of participant statements to determine Work Guidelines were completed and reviewed for participant statements prior to approval and distribution by Consultant Inspected final statement package for a selection of participant statements to determine that participant statements and supporting reports are provided to the client for distribution.	No relevant deviations noted.

Defined Benefit Plans – Compliance Testing

Control Objective 7: Controls provide reasonable assurance that compliance tests required under ERISA, DOL and IRC rules and regulations are performed.

No.	H&H Control Activities	Tests Performed by BerryDunn	Results of Tests
7.1	Corporate plans are reviewed during the annual valuations process to determine if any compliance tests are required. The annual review is documented on a Compliance Checklist by an Analyst and reviewed by a Consultant.	Inspected annual Compliance Checklists for a selection of corporate plans to determine that the checklist is completed by an Analyst and reviewed by a Consultant.	No relevant deviations noted.
7.2	Required tests are performed and documented either in WorkTracker or the Compliance Checklist.	Inspected documentation of completed compliance tests for a selection of corporate plans to determine that any required tests are documented in WorkTracker or the Compliance Checklist.	No relevant deviations noted.

Logical Security

Control Objective 8: Controls provide reasonable assurance that logical access to internal systems and data is restricted to authorized personnel.

No.	H&H Control Activities	Tests Performed by BerryDunn	Results of Tests
Network			
8.1	A New Employee Checklist is used to document and track software set up requirements and data access permissions for new hires. A Termination Checklist is used to track removal of logical access.	Inspected New Employee Checklists for a selection of new employees to determine that access requirements are authorized for new employee setup. Inspected Termination Checklists for a selection of terminated employees to determine that access is removed upon termination.	No relevant deviations noted.
8.2	Users must have a valid Windows domain user name and password to access the network. Native Windows default policies and parameters are in place to enforce password length, expiration, recycling, and account lockout.	Inspected a system generated list of domain users and groups to determine that user access is authorized. Inspected the Windows default domain policy to determine that native Windows parameters are used to enforce password length, expiration period, password reuse (recycling), and account lockout on a predefined number of unsuccessful logon attempts.	No relevant deviations noted.

No.	H&H Control Activities	Tests Performed by BerryDunn	Results of Tests
8.3	A Windows event log analyzer tool is configured to forward email alerts to the Network Administrator for high severity events. The Network Administrator performs a weekly log analyzer console review to monitor network performance and vulnerabilities. The Network Administrator maintains a Log Review Checklist to evidence the console review.	Observed the log analyzer console screen run by the System Administrator to determine that any high severity alerts are highlighted for review. Inspected the System Administrator's Log Review Checklist to determine that the System Administrator reviews the log analyzer console and documents the review on the Log Review Checklist.	No relevant deviations noted.
8.4	Servers and PCs run AV software. The AV system is configured to email a Weekly AV Summary Report to the Network Administrator. The Network Administrator maintains a Log Review Checklist to evidence the review of the Weekly AV Summary Reports.	Inspected the AV system status report to determine that servers and PCs are configured to receive updated AV definitions on a scheduled basis. Inspected a selection of AV system Weekly Summary Reports, emails, and the Network Administrator's Log Review Checklist to determine that the Network Administrator monitors and reports on system status and AV protection.	No relevant deviations noted.
8.5	Servers and PCs are configured with Microsoft Automatic Update to download OS patches directly from the Internet. Patch activity is reported through the log analyzer system. The Network Administrator maintains a Log Review Checklist to evidence the review of the patch management reports.	Observed the log analyzer console screen to determine that OS patch activity is monitored. Inspected a selection of Log Review Checklists to determine that the Network Administrator monitors system status and patch updates.	No relevant deviations noted.

No.	H&H Control Activities	Tests Performed by BerryDunn	Results of Tests
8.6	Automated internal vulnerability scans are run on PCs and servers each evening through a vulnerability scanning module. The Network Administrator monitors the log analyzer console and reviews daily reports to identify potential network vulnerabilities. The Network Administrator maintains a Log Review Checklist to evidence the review of the log analyzer console and Summary reports.	Observed the log analyzer console to determine that reported network vulnerabilities are monitored. Inspected a selection of Log Review Checklists to determine that the Network Administrator monitors system status and potential vulnerabilities.	No relevant deviations noted.
8.7	A dedicated email AV, anti-spam, and anti-phishing security appliance is running. The appliance is configured to email daily Virus Type and Summary reports to the Network Administrator.	Inspected the appliance configuration screens to determine that AV, anti-spam, and anti-phishing modules are active and the system is configured to log and report on potential vulnerabilities. Inspected a selection of emails and associated disposition emails during the audit period to determine that email virus and malware issues are monitored and addressed.	No relevant deviations noted.
8.8	Employees working remotely securely access the network via remote access software. The remote access solution provides 128-bit AES encryption, dual passwords, and end-to-end authentication. The Network Administrator maintains a Log Review Checklist to evidence monthly review of access logs.	Observed the Network Administrator sign on to the remote access software administrative console with a long password and one-time passcode. Inspected the configuration to determine that passwords, one-time passcode, lockout, and encryption were enabled for users and administrators. Inspected a selection of Log Review Checklists to determine that the Network Administrator monitors and reports on system status and remote access attempts.	No relevant deviations noted.

No.	H&H Control Activities	Tests Performed by BerryDunn	Results of Tests
8.9	Access to the internal systems is controlled by a pair of failover firewalls. Firewall logs are written to a syslog server for analysis via a real-time monitoring system. The Network Administrator maintains a Log Review Checklist to evidence review of the logs.	Observed system console to determine that the firewalls are reporting and performance and issues are identified. Inspected the configuration files of the firewalls to determine that security, logging, failover, and ACL are in place. Inspected a selection of Log Review Checklists during the audit period to determine that the Network Administrator monitors and reports on system status and firewall issues.	No relevant deviations noted.
8.10	The primary Internet connection is controlled and secured by two firewall devices in failover mode. The secondary Internet connection is controlled and secured by a single firewall device.	Inspected the configuration file of the primary and secondary firewalls to determine that security, logging, failover, and ACL are in place.	No relevant deviations noted.
Applications			
8.11	Access to DB Precision and specific customers and data is requested in writing by a DB business unit leader. The Network Administrator performs the maintenance and requests confirmation of the final access permissions for any restricted customer.	Inspected list of DB Precision, rights, and exceptions to determine that access is restricted to authorized users. Inspected a selection of emails to determine that permissions for restricted customer access is confirmed upon employment changes.	No relevant deviations noted.

No.	H&H Control Activities	Tests Performed by BerryDunn	Results of Tests
8.12	DB Precision software is only installed on personnel PCs that require access to the software. Customers do not have direct access to DB Precision. Access to the DB Precision database requires a valid domain user name, long password (assigned by an Administrator), and group designation. Access rights to data in the DB Precision database and access to the data for restricted clients is controlled through group and user permissions maintained in a data table.	Observed a user sign on to DB Precision to determine that a user name and long password was required. Inspected a system generated list of domain users and groups to determine that user access is authorized. Inspected the Standard Rights and Exceptions for a selection of users to determine that access to data and restricted clients is limited on a “need to know” basis.	No relevant deviations noted.
8.13	The PEP customer web portal is controlled through redundant firewalls and 128-bit digital certificates. Access to the PEP website utilizes TLS 256-bit encryption which requires the use of browsers with 256-bit encryption. All data that travels between the website and the customer is encrypted for maximum privacy.	Inspected firewall configuration settings, firewall console, and firewall logs to determine that access is controlled through redundant firewalls. Inspected the TLS Certificate on the PEP customer web portal using a demo account to determine that access to the portal utilizes TLS 256-bit encryption and requires use of browsers with 256-bit encryption.	No relevant deviations noted.
8.14	A hierarchy of roles and permissions defines who can access data through the PEP portal. Roles include Plan Sponsor, Plan participant, and DB Analyst access.	Inspected application settings in DB Precision for several users and compared access rights to documented defined roles to determine that access is controlled.	No relevant deviations noted.

No.	H&H Control Activities	Tests Performed by BerryDunn	Results of Tests
8.15	Passwords are required to access the PEP portal. User IDs and passwords are generated and assigned to users. Passwords are stored in encrypted format.	Observed a user sign on to the PEP portal to determine that passwords are required for access. Inspected database tables to determine User IDs and passwords are assigned to users and username and passwords are stored in encrypted format.	No relevant deviations noted.
8.16	Users must have a unique Citrix user ID and password and Schwab RT username and password to access the Schwab RT system.	Observed a user sign on to Schwab RT to determine that Citrix and application credentials are required. Inspected a list of Schwab RT users to determine that access is restricted to authorized employees.	No relevant deviations noted.
8.17	The Schwab RT system is configured with parameters to enforce password length, expiration, recycling, and account lockout.	Observed a user sign on to Schwab RT to determine that parameters to enforce password length, expiration, recycling, and account lockout are displayed on the sign on screen. Inspected the Schwab RT password parameters and procedures to determine the RT system is configured for parameters to enforce password length, expiration, recycling, and account lockout.	No relevant deviations noted.

System Upgrades

Control Objective 9: Controls provide reasonable assurance that system upgrades to key applications are tested and authorized prior to implementation into production.

No.	H&H Control Activities	Tests Performed by BerryDunn	Results of Tests
9.1	Upgrades and patches to the key applications are tested prior to release into production.	Inspected software upgrade testing emails for a selection of releases to determine that testing is performed prior to release into production.	No relevant deviations noted.
9.2	After upgrades and patches are tested, they are approved by a business analyst before implementation.	Inspected software upgrade approval emails for a selection of releases to determine that approval occurs prior to release into production.	No relevant deviations noted.
9.3	Application changes can only be made by the Network Administrator and the business analyst for that application.	Inspected system access rights to determine that software changes can only be made by the Network Administrator and the business unit leader.	No relevant deviations noted.

System Backup and Recovery

Control Objective 10: Controls provide reasonable assurance that critical applications and data are backed up regularly and restore testing is performed at least annually.

No.	H&H Control Activities	Tests Performed by BerryDunn	Results of Tests
10.1	A local NAS storage system replicates files off-site securely to a cloud storage service.	Inspected the local NAS storage system configuration backup schedule to determine that the NAS storage system replicates files off-site to a cloud storage services Inspected the cloud storage system console to determine that critical servers are included in the backup program.	No relevant deviations noted.
10.2	A daily Backup Report is emailed to the Network Administrator to report on the results of the backups.	Inspected Backup Reports for a selection of days to determine that they are generated to report the results of the backups on a daily basis. Inspected the system console configuration to determine that alerts are configured to be sent to the Network Administrator if a failure occurs.	No relevant deviations noted.
10.3	The Network Administrator performs review procedures on a weekly basis to verify backup integrity.	Inspected Backup Review Checklists for a selection of weeks to determine that the Network Administrator reviews backup logs on a weekly basis.	No relevant deviations noted.
10.4	Restore testing of data backups is performed at least annually.	Inspected testing log for restore tests conducted during the year to determine that testing of data backups is performed at least annually.	No relevant deviations noted.

Physical Security and Environmental Controls

Control Objective 11: Controls provide reasonable assurance that facilities and computing equipment are physically and environmentally safeguarded.

No.	H&H Control Activities	Tests Performed by BerryDunn	Results of Tests
11.1	A key fob access and monitoring system is in place on all external doors.	Observed external access points to determine that all external office doors are controlled through the key fob access and monitoring system. Inspected key fob access user listing to determine that access is restricted to employees and approved third parties. Inspected the key fob monitoring portal history log to determine that the monitoring system tracks access attempts in near real time.	No relevant deviations noted.
11.2	A camera system is in place that monitors the front and rear access points. The camera system archives video which is viewable for a minimum of 90 days.	Observed the camera system in place and viewed console onscreen to determine that access to front and rear access points is monitored. Inspected the camera system console to determine that the camera system archives video for a minimum of 90 days.	No relevant deviations noted.

No.	H&H Control Activities	Tests Performed by BerryDunn	Results of Tests
11.3	All visitors are required to check in with reception and sign a Visitor's Register. Visitors are issued a visitor's badge that must be worn at all times.	Observed visitors sign into the Visitor Register at the receptionist desk to determine that visitors are required to sign into a Visitor's Register upon entering the office. Observed visitors being granted a visitor badge from the receptionist and instructed to keep badge on person at all times to determine that visitors are issued a visitors badge only after the receptionist has confirmed the visitor with an employee and the visitor has signed into the Visitor Register. Inspected the Visitor Register to determine that all visitors are required to check in with reception and sign into the Visitor's Register.	No relevant deviations noted.
11.4	The door leading into the Server/Telco Room is controlled through a combination lock. The door is locked at all times. Only members of the IT Department and Facilities Management have access to the internal Server Room.	Observed the Server/Telco Room to determine that the equipment rooms are locked with a combination lock. Observed a member of IT attempt to gain access with an invalid combination and valid combination to determine that access is granted only after a proper combination attempt. Inspected a list of individuals with access to the Server/Telco Room to determine that only members of the IT Department and the Facility Manager have access to the internal Server/Telco Room.	No relevant deviations noted.

No.	H&H Control Activities	Tests Performed by BerryDunn	Results of Tests
11.5	A Visitor's Log is maintained to record access to the Server/Telco Room. All non-employee personnel that enter the Server/Telco Room must sign in.	Inspected the Visitor Log for the Server/Telco Room to determine that visitors are required to sign into the room at each visit.	No relevant deviations noted.
11.6	Servers and network devices are connected to a surge filtering UPS. Each UPS has the capacity to provide a 10-20 minute supply of power for clean shutdowns.	Observed the Server/Telco Room to determine all servers and network devices are connected to a UPS.	No relevant deviations noted.
11.7	The Server/Telco Room is equipped with a dedicated HVAC unit.	Observed the Server/Telco Room to determine that a dedicated air conditioning system is running.	No relevant deviations noted.
11.8	Hardware vendors provide regular server maintenance and support per warranty contract.	Inspected a selection of server warranties to determine that servers are under warranty by the vendor.	No relevant deviations noted.
11.9	Sensitive hardcopy documents are disposed of in locked confidential destruction bins located throughout the office. H&H contracts with a third party vendor for sensitive document pick-up and disposal.	Observed use of destruction bins on several occasions to determine that they are secure. Inspected a selection of Certificate of Destruction invoices from the third party vendor to determine that sensitive materials are destroyed on a regular basis.	No relevant deviations noted.
11.10	When employees are terminated, physical access is removed and tracked on the Employment Termination Checklist.	Inspected Employment Termination Checklists for a selection of terminated employees to determine that physical access is removed.	No relevant deviations noted.

TAB N. BUSINESS CONTINUITY PLAN

Hooker & Holcombe

Corporate Business Continuity Plan

Hooker & Holcombe Corporate Business Continuity Plan

1. INTRODUCTION:

Hooker & Holcombe, Inc. (hereinafter, "HH") has adopted this Disaster Recover/Business Continuity Plan (hereinafter, the "Plan") to provide for the firm's recovery from an emergency or disaster and for the resumption of business operations in as short a period of time as possible. These policies and procedures are, to the extent practicable, designed to address those specific types of disasters that HH might reasonably face given its business and location. (See "TYPES OF DISASTERS- VULNERABILITY ASSESSMENT" attached hereto as **Appendix F**).

2. SCOPE:

The scope of this plan is limited to disruptions to business operations, including any loss of utility service (power, water), connectivity (systems), or catastrophic event (weather, natural disaster, vandalism) that causes an interruption in the service provided by HH operations. This is a business continuity plan, not a daily problem resolutions procedures document.

3. DISASTER RECOVERY TEAM (hereinafter, the "Team"):

The Disaster Recovery Team responsible for carrying out duties of the Plan will be comprised of the following roles: H&H President, H&H Chairman, Director of Administrative Services, Network Administrator, Director of Human Resources and the Practice Leaders for each of the three H&H operating units.

4. RESPONSIBILITIES:

Each employee is responsible for understanding his/her role during a disaster. The following individuals have the primary responsibility for implementation and monitoring of the Plan:

Network Administrator

- responsible for documenting computer back-up procedures, i.e., frequency, procedure, person(s) responsible, etc.
- responsible for designating back-up storage location(s) and persons responsible to maintain back-up data in separate locations.
- responsible for establishing back-up telephone/communication system for clients, personnel and others to contact the firm and for the firm to contact clients.

Director of Administrative Services (hereinafter, the "DAS")

- responsible for identifying and listing key or mission critical people in the event of an emergency or disaster, obtaining their names, addresses, e-mail, fax, cell phone and other information and distributing this information to all personnel.
- responsible for designating and arranging for "hot," "warm," or home site recovery location(s) for mission critical persons to meet to continue business, and for obtaining or arranging for adequate systems equipment for these locations.
- responsible for conducting periodic and actual testing and training for mission critical and all personnel.

Network Administrator/DAS: responsible for determining and assessing back-up systems and/or recovery plans for key vendors and mission critical service providers.

5. WHEN AN EMERGENCY/DISRUPTION OCCURS:

A. Emergency During Office Hours:

In the event of an emergency during office hours, call 911. The next appropriate course of action will depend on the nature of the emergency. Most types of emergencies will require all employees to quickly evacuate the building, including fire, bomb-threats, etc. If so, gather your belongings, including any medications, if time safely permits and promptly exit the building following the same fire evacuation procedure. Certain emergencies, however, may require that employees remain inside, including the release of a hazardous airborne substance in the immediate vicinity of the office. Employees should, at all times, follow the instructions of emergency personnel. Please note key alternative routes in the event that main exit-ways are impassable during an emergency. All employees are to meet at the designated area indicated below, if safe to do so, following any evacuation of the office.

Designated Meeting Area: Public parking lot across from office building (same as Fire evacuation location)

B. After-Business Hours Disruption/Discovery and Notification of Employees:

In the event of a business disruption or disaster occurring after business hours, each employee must be contacted, informed of the nature of the event and given instructions regarding if, when and where to convene. Any employee initially discovering an emergency situation at the principal office must contact the DAS to inform him/her of the situation. If, for any reason, the DAS cannot be reached, the employee is to contact the President. The DAS will contact the President and the Network Administrator and they will determine a course of action. (If, for instance, the disruption involves a power failure, there will be an attempt to contact the utility company to obtain an estimate of when power will be restored to the principal office). Once a plan of action has been decided upon, the Network Administrator will notify all employees of the disruption via the current messaging system application (see Vendor list).

The President will follow up with calls to each Owner to fully apprise them of the situation and to provide instructions for further action.

C. Disruption in Services of Critical Third-Party Vendor:

In the event of a disruption in the services provided by a critical service provider, the DAS, Network Administrator, or other designated individual will attempt to contact the vendor to determine the nature of the problem and an estimate of the restoration of services. If the vendor cannot be reached and services cannot be restored, the DAS will put together a team of HH employees from the critical service area affected to determine an appropriate "work-around" solution. If continued efforts to contact the vendor and/or to restore services are unsuccessful, consider contacting a back-up or replacement vendor.

6. ALTERNATE SITE FOR BUSINESS OPERATIONS:

If HH's principal office is damaged or otherwise inaccessible, the Team will identify a temporary alternate location from which to restore normal business operations. This location will serve as a "Command Center" from which to coordinate operations. If the expected duration of the disruption or inaccessibility of HH's principal office is longer than a week, the Team will determine a more permanent alternative location or new principal office. Depending on an employee's job requirements and the availability of a personal computer and Internet access at home, it is expected that most employees will be permitted or required to work remotely from his/her

residence. Due to HH's relatively small size and staff, this determination will be made and communicated to each employee at the appropriate time based on the particular circumstances.

7. DATA PROTECTION, BACK-UP & RECOVERY:

a. Backup Procedures:

All data on HH systems is backed-up to a remote location on a daily basis. This process is fully automated and is completed via a secure Internet connection. Email confirmations of each completed back up are sent by the current data backup and storage vendor to our Network Administrator. The Network Administrator will verify that backups are completed on a daily basis.

b. Recovery Procedures:

If HH's systems are accessible and otherwise undamaged following an emergency, as may be the case in the event of a power failure, it may be possible to safely retrieve and transport HH's server and hardware systems, containing all electronically-stored data, to the alternate site for restoration of business operations. In the initial stages of the disruption, the Team will make the determination regarding the physical and economic possibility and practicality of this course of action or whether a complete back-up to the alternate system is warranted.

8. FROM DISASTER TO RECOVERY- A TIMELINE OF TASKS:

See "FROM DISASTER TO RECOVERY A TIMELINE OF TASKS" attached hereto as **Appendix A**.

9. COMMUNICATIONS:

a. Telecommunications Disruption:

In the event that local "land-line" telephone service is disrupted, employees are expected to use their personal cellular phones to conduct business until service is restored. Hooker & Holcombe currently uses a third party, cloud-based application to provide an automated calling system to send messages to all employees' cell phones in the event of a major event that could disrupt our business. This will allow us to communicate a plan of action and instruct employees on steps to take.

b. Internet & Email Service Disruption:

HH's email system is backed up to the cloud. This system can be restored in a virtual environment and accessed via an internet connection. With respect to internet connectivity, a suitable alternative access point may be used (e.g., nearest Wifi or other application location).

10. TRAINING, TESTING & REVISION OF PLAN:

a. Distribution of the Plan:

The current version of the plan will be accessible electronically via the company's intranet website. All employees will be required to sign an acknowledgement that he/she has read and understands the Plan. (See "ACKNOWLEDGEMENT FORM" attached hereto as **Appendix B**).

b. Training

Any changes to the plan may be reviewed periodically with all staff, and done so via email communication. If an employee has any questions regarding the Plan or his/her role in the event of an emergency, he/she is encouraged to ask the DAS for clarification. It is imperative that all personnel are familiar with the policies

and procedures of the Plan and have a thorough understanding of his/her responsibilities in the event of an emergency.

c. Testing, Plan Revision & Recordkeeping:

The Plan will undergo periodic tests. Such tests may be as complex as running a simulation of an actual disaster, including the restoration of data to alternate systems, or as basic as testing the employee call tree. Typically, but not always, testing will be conducted after hours to minimize disruption of normal business operations. In order to gain realistic results that may be used to revise and optimize the effectiveness of the Plan in the event of a real emergency, not all tests will be announced ahead of time to all employees.

Test results will be evaluated and documented in the "TESTING LOG", attached hereto as **Appendix D**. A determination of any weaknesses exposed by the test will be made at that time and the Plan will be revised accordingly to fill gaps discovered during testing. The Plan may also be revised pursuant to reviews and the issuance of regulatory guidance.

d. Revisions

Changes in business operations or procedure must be reflected in the Plan and documented in the "REVISION LOG", attached hereto as **Appendix C**. Changing the date in the lower left-hand corner of the Plan will indicate any such revision.

APPENDIX A

FROM DISASTER TO RECOVERY

A Timeline of Tasks

0 – 2 hours

Discovery and assessment:

A. Does disaster occur during business hours?

1. If YES, CALL 911 or local authorities
2. Is evacuation necessary? Does remaining in the building pose a threat to the safety of employees?
 - a. If, YES
 - i. evacuate building and meet at safe, designated location outside building (CAVEAT: ALWAYS FOLLOW INSTRUCTIONS OF EMERGENCY PERSONNEL)
 - ii. If safety permits, secure all confidential client information prior to evacuation.
 - iii. Conduct a roll call at designated location to ensure the health and safety of all employees.
 - iv. Attempt to assess estimated amount of time before possible resumption on-site. If more than a day, determine whether or not to initiate a set-up of alternate site.
 - b. If NO (safety does not demand evacuation of building), can normal operations resume (i.e., is there a power outage or other resulting disruption that does not permit resumption of business?)?
 - i. If NO (the disruption does not permit the resumption of normal business activities), attempt to assess estimated amount of time before possible resumption on-site:
 - If less than a day, determine whether or not to dismiss employees for a number of hours.
 - If more than a day, determine whether or not to initiate a set-up of the firm's alternate location.
 - If disruption results from an emergency at a key third-party vendor, assess amount of time until restoration by vendor, formulate a work around or determine whether an alternative vendor may fill the gap.

B. Disaster does not occur during business hours.

1. anyone initially discovering situation must notify the DAS immediately. Does situation preclude safe, normal business operations? (President will make this determination).
 - a. If YES, execute call tree. Inform employees of situation, direct them to avoid principal office and to await further instruction.
 - b. If NO, attempt to quickly assess estimated amount of time before possible resumption on-site and execute call tree to inform employees of situation and where and when to reconvene.

2 – 6 hours:

Initiate Emergency Recovery/Contact Critical Vendors:

1. Assess which staff will meet at alternative location and which will work from home. Set a time the following day for a conference call, if possible, or otherwise require each staff member to call in at a set time. Notify staff using emergency notification system.
2. Begin to compile list of data lost or otherwise inaccessible.
3. If possible, begin to salvage data and files from principal office or make plans for such salvage as soon as safety and the authorities permit.
4. If necessary, initiate recovery of backed-up data to alternate systems.
5. Begin to capture expenses associated with disruption.
6. If necessary, notify insurance carriers of situation.
7. Arrange with authorities and/or landlord to participate in salvage operations and secure confidential information ASAP.
8. Notify and brief key vendors on situation
9. Contact telephone company to redirect all calls made to firm's main number to the designated backup number (TBD)
10. Determine if and what client communication is necessary.
11. If possible and if estimated time of disruption calls for it, consider recording emergency voicemail to provide basic information regarding situation to clients and vendors calling in.
12. If possible and if estimated time of disruption calls for it, post a notice to clients on the firm's home page informing them of the situation, how to contact HH and any other prudent information.
13. If possible and if estimated time of disruption calls for it, consider sending an email to all clients informing them of situation and other important information. If disruption includes a failure of website and email systems, use the third party email system (Constant Contact) to send an email to all clients informing them of situation and other important information.
14. Verify that restoration of back-up data was successful and systems are fully operational. If necessary, contact IT vendors for priority assistance. (If disruption is not localized, priority assistance may not be feasible, thus, testing systems before an emergency occurs is critical).

6 – 8 hours:

Restoration of Normal Business Operations.

1. Resume normal operations.
2. Assess damage and estimated time until office will be accessible and operational. If estimate is more than a month, begin to formulate plan for new office space or a more-permanent alternate location.

APPENDIX B

**ACKNOWLEDGEMENT FORM
DISASTER RECOVERY PLAN**

I, the undersigned employee of Hooker & Holcombe, Inc., do hereby acknowledge and certify that I have read and reviewed the entire contents of HHIA's Disaster Recovery Plan. I accept responsibility for understanding my role in the event of an emergency.

Printed Name of Employee

Signature

Date

APPENDIX C

REVISION LOG

Revision Date	Section	Description	Initials
6.28.2018	Appendix D	Updated with 2018 testing	NA

APPENDIX D

TESTING LOG

Test Date	Type	Description	Performed by	Results
7.1.2018	Orientation/Walk-through	Walk through	DAS, NA, President	Successful
2.1.2018	Function Testing-Partial	Test of Employee emergency notification system	DAS, President	Successful
2.22.2018	Function Testing -Partial	Fire drill -- Evacuation procedures tested	All Staff	Successful
Monthly	Function Testing-Partial	Test of 3rd party customer notification system	DAS, NA, Other	Successful
6.27.2018	Functional Testing-Partial	Server restore - file share - local	NA	Successful
6.27.2018	Function Testing-Partial	Server restore – Virtual Machine – Local	NA	Successful
6.27.2018	Cloud data restore	Datto Internet Portal - Restore Files	NA	Successful
6.27.2018	Test of Backup Cable Line	Switched PC to Cable Line. Internet Speed Test	NA	Successful
7.31.2018	Offsite backup / restore	Datto cloud extract to external drive & location	NA	Successful

NA: Network Administrator

DAS: Director of Administrative Services

TAB O. SAMPLE INFORMATION SECURITY STANDARDS



Information Security Standards

Contents

Physical security	2
Protection of paper files	3
Hardware standards	4
Network access	6
Password policy	7
Backup	8
Information security requirements for independent contractors and H&H employee home computers	9
Remote access procedures	10
Security procedures for H&H laptops	11
Email security procedures	11

The security and confidentiality of our clients' data and of our information systems is of paramount importance to Hooker & Holcombe. This document describes our policies and standards that are in place to maintain that security. For additional information please refer to H&H's Controls at a Service Organization SOC 1 Type 2 report.

Physical security

- The office building in which H&H is located is locked between 7 pm and 7 am.
- H&H has key, key fob, or both types of locks on our external office doors.
- The doors to the wiring closet and phone closet are locked with combination locks.
- The internal server room is locked at all times with a combination lock. All servers are kept in this room.
- Only the members of IT and the Facility Manager have access to the internal server room. Cleaning staff has no access to this room.

Enforcement

- All visitors to H&H are required to register with the receptionist.
- A Visitor's Register is located on the reception desk, and all visitors must sign in. Name, date, company/address, the H&H employee they are visiting, arrival and departure times are tracked.
- All visitors must be accompanied by an H&H employee at all times.
- Reminders are issued periodically to H&H staff about the importance of building and office security. This topic is covered during new employee orientation.
- The combination on the server room door's lock is changed immediately after someone leaves the IT staff or Facility Manager position.
- A Visitor's Log is maintained for access to the server room. All non-H&H personnel that enter the server room must sign in. Name, date, arrival and departure time, and name of escort are tracked.

Protection of paper files

H&H requires the following precautions to ensure that our files and paper work are protected at all times.

At the end of each day and especially before the weekend H&H employees must ensure that the following procedures are followed:

- All X2's in the central filing areas and other locations must be closed. Open X2's should be closed if an employee notices them open.
- Make sure that "work in progress" on workstation surfaces or in offices is placed in a drawer, filing cabinet or overhead bin each evening.
- Overhead bins should be closed each evening.

Disposal of paper files

H&H has a contract with InfoShred to pick up and shred confidential material. InfoShred is NAID AAA certified and maintains stringent security practices.

- Confidential material includes, but is not limited to:
- Client information – anything that relates to a client of H&H
- H&H information – anything that relates to H&H
- Locked waste bins are provided throughout the office for confidential to-be shredded", papers. These bins are emptied bi-weekly and contents are shredded and recycled off-site.

H&H personnel audit InfoShred procedures on a regular basis.

Hardware Standards

Servers

- Redundancy is built-in: All servers are equipped with disk arrays, redundant power supplies, and redundant network cards.
- H&H maintains hot spares for certain critical servers. These spares can be swapped in to cover for another server that is unavailable.
- Maintenance contracts: All servers are covered by maintenance contracts with the hardware vendor.
- UPS (uninterruptible power supplies): All servers are connected to surge filtering UPS's. Each UPS has the capacity to provide a 10-20 minute supply of power for clean shutdowns. UPS batteries are monitored and changed as needed.
- Internal servers are patched on a regular basis. This takes place at least monthly or more frequently as security issues arise.
- All Servers are secured in a locked room. Access to this room is limited to IT staff.

Desktops

- Maintenance contracts: Desktops are covered by next business day maintenance contracts with the hardware vendor.
- It is H&H policy that no data will be stored on desktop computers. If a desktop becomes unavailable, the user can move to another desktop and continue their work.
- H&H desktops are replaced every 3-5 years to ensure that H&H staff has the most efficient and reliable machines available to them.

Printers

- Redundancy: H&H has a number of printers. Print jobs can easily be diverted to another printer if the first printer becomes unavailable.

Network Infrastructure

- All network infrastructure equipment, data wiring, and telephone equipment and wiring are stored in locked rooms.
- Only IT and the Facilities Manager have access to these rooms. Cleaning staff do not have access to these rooms.

Firewall

- Redundancy: H&H has a redundant firewall setup. If one firewall fails for mechanical or power reasons, the other firewall takes over automatically.
- Maintenance contracts: The firewalls are on a 24x7, same day contracts.

Disposal of hardware and media

- All hard drive disks must be physically destroyed by shredding, or other permanent means.
- All computer media must be destroyed by shredding or other permanent means.
- H&H uses InfoShred for destruction of media.
- H&H audits InfoShred procedures on a regular basis.

Data Integrity

- H&H ensures data integrity by implementing industry standard firewalls, antivirus, and intrusion detection on all servers, desktops, and laptops.
- All machines are patched on a scheduled basis to prevent security issues.
- IT monitors audit logs and external sources to remain aware of emerging threats

Network access

H&H has policies containing the following network access rules:

Employee access

- H&H requires the use of strong passwords.
- Passwords must not be shared with anyone. Under no circumstances may a password be divulged to a non-employee.
- All employees must change their passwords every 90 days or less. Network software prevents users from logging on if their passwords are not changed when required.
- An account will be locked after a certain number of invalid login attempts. The account will remain locked until a System Administrator unlocks it.
- All employees must log off the network before leaving for the day.

Visitors and temporary workers

- Visitors to the office may use the company's machines with employee supervision; however, they must use a special visitor login id, which does not have access rights to any client data.
- Visitors must sign in and out in the "guest log" that is kept in the IT area before they are allowed to access the server room. Visitors must be supervised at all times in this room.
- Where possible, new software installations should be done by the H&H Network Administrator. If this is not possible, the outside contractor must have a special user account created as noted below.
- All Contractors from outside software companies must have special user accounts created for them. These user accounts will not permit general network access; they will be limited by job function.
- Contractor accounts must be deleted as soon as the contractor has finished the job. Another account will be created if the contractor returns.

Password policy

H&H requires the use of strong passwords to access the corporate network. Passwords must be developed and used as outlined below.

Password requirements

- Passwords must be at least eight characters long
- Passwords must be changed every 90 days or less
- Users must wait 2-5 days between password changes
- Passwords must be unique – they cannot be re-used

Password use

- Passwords must not be shared with anyone.
- Under no circumstances may a password be divulged to a non-employee.
- Consultants and temporary workers must use special login ids that allow them to use network applications or printers, but do not allow direct access to client data.
- Any access to client data must be cleared with a principal of H&H, and granted by the Network Administrator.
- Visitors to the office may use the company's machines with employee supervision. However they must use a special visitor login id, which does not have access to any client data.

Enforcement

- Network software prevents users from logging on if their passwords are not changed when required. If a password expires, accounts must be reset by IT.
- All employees must log off the network before leaving for the day.
- Accounts are locked after excessive invalid login attempts. Accounts remain locked until the Network Administrator resets the account.
- H&H staff are reminded of password and log off policy with periodic memos. In addition, this topic is covered during new employee orientation.

Backup

H&H utilizes procedures to ensure the availability of our data which include nightly backups of all data and applications, and offsite storage of critical applications and data. The reliability of backup procedures and media are verified on a frequent basis.

H&H uses a combination of local NAS disk and cloud backup. Servers are backed up daily or multiple times per day according to the server function. Disk backups are synchronized with a secure cloud location on a nightly or weekly basis according to server function.

Information security requirements for independent contractors and for H&H employee home computers

H&H Employees are prohibited from removing data from H&H premises. Employees are required to use H&H's remote access solution to access data. The remote machine that will be used to access H&H must meet the following requirements before a remote access account is issued.

The following requirements must be met if the Independent Contractor will be accessing H&H client data via an offsite computer.

Firewall – a software firewall must be installed on the computer that will house or access the H&H client data.

Virus protection – a virus protection program must be installed on the computer that will house or access H&H client data. In addition, all virus signatures must be kept up to date automatically.

Security patches and fixes – Security patches must be applied in a timely manner. H&H requires that these patches be downloaded and applied with 2 weeks of their release. H&H recommends that Windows users enable automatic updates.

Non-Windows users are responsible for staying informed about patches for other operating systems, and for applying those patches in a timely manner as indicated above.

Separate user ids and logins – if the computer that houses or accesses H&H client data will be used by family members or others not authorized to access H&H client data, then separate user ids must be used. Non-authorized users must have no access to H&H client data.

Screen saver with password protection – A password protected screen saver must be implemented on the account that accesses the H&H client data.

Disposal of data -- All H&H client data must be deleted or destroyed when the work has been completed. All removable media should be returned as well. H&H will provide a new copy of appropriate data as needed.

Remote access procedures

H&H Employees are prohibited from removing data from H&H premises. Remote access to H&H is provided by GoToMyPC Corporate. The remote machine that will be used to access H&H must meet H&H security requirements before a remote access account is issued.

GoToMyPC corporate information

GoToMyPC Corporate has 256-bit AES encryption built in. All data including screen images, file transfers, keyboard and mouse input is fully encrypted from end to end. The encryption key is unique for each connection and is based on the access code and a random bit sequence. The access code itself resides on the host computer and is never transmitted or stored on Citrix online servers.

Other features include:

- **Multiple, nested passwords:** access to a computer running GoToMyPC corporate, requires the following steps: Log in to the secure Web site using an H&H email address and personal alphanumeric password. Next, enter the computer's unique access code to complete the connection. An access code is required for all connections. To provide machine-level security, the computer's unique access code resides on the computer and is never transmitted or stored on Citrix online servers.
- **Strong password requirements:** GoToMyPC corporate requires that passwords be at least 8 characters long and contain both letters and numbers.
- **One-time passwords:** H&H requires that all users use this feature. This is a third step in the login process. The list of One-time passwords for each machine can only be generated from the H&H office machine itself. Each password can only be used once.
- **Limited number of incorrect log-in attempts:** GoToMyPC corporate limits the number of times one can attempt to log in.
- **End-to-end authentication:** Authentication occurs with a challenge/response mechanism using a secure MD5 methodology.
- **Screen blanking:** the host computer's screen is blanked while remotely connected.
- **Keyboard and mouse locking:** the host computer's local mouse and keyboard are locked while remotely connected.
- **Inactivity access code prompt:** If no activity is detected on a computer for period of time it will be disconnected.
- **Prominent notification when computer is being accessed:** Whenever a computer running GoToMyPC corporate is accessed remotely, a notice will appear on the screen.
- **Notification of last access:** Shows the date and time of the last log in at the top of the My Computers page.
- **Log of connections:** The complete log-in histories of all HH employees is available.

Security procedures for H&H laptops

- All H&H Laptop hard drives are encrypted with BitLocker encryption or with Windows 10 device encryption. The entire hard disk is encrypted.
- The traveling laptops are the property of Hooker & Holcombe, Inc. H&H computer use policies apply to the laptops.
- It is H&H policy that all software is purchased and installed by IT only. Do not install anything on the traveling laptops. This includes toolbars, screen savers, games, etc.
- The laptops must be reserved using Outlook.
- Associates reserving the laptop must tell IT about any confidential nonpublic employee, client, prospect, or company information that will be stored on the laptop.
- The laptops must not be left unattended if they contain confidential information. Confidential information is any information that contains a name and social security number.
- When the laptop is returned, associates must identify to IT any confidential information placed on the traveling laptop while in his/her possession.
- Laptop users are responsible for removing all presentations, data, etc. from the laptop before it is returned to H&H. This information should be stored on the LAN and re-copied to the laptop as required.
- The laptop hard drives will be wiped clean and re-installed on a regular basis. This will occur at least annually and possibly more frequently.

Email security procedures

- All H&H email that contains non-public information must be encrypted before being emailed. There are no exceptions.
- H&H uses an email encryption company known as Zix Corp. The software product is ZixMail. Zix encrypts the email message and attachments. The subject line is not encrypted.
- The email subject line must not contain any non-public personal information.
- Do not email any data files using only Word or Excel passwords. Do not email any data files using No protection of any kind.
- If data files containing non-public personal information must be sent, and ZixMail cannot be used, the client's encryption process should be used.

TAB P. SAMPLE CLIENT TIMELINE

Sample Widget Company, Inc. Pension Plan
Transition timeline for Outsourcing and benefit payments from Schwab

Week	Transition step	Owner
1st week	1) Prepare engagement letter and deliver to Client	H&H
2nd week	2) Signed engagement letter is returned to H&H 3) Client attorney drafts board resolution to appoint Charles Schwab Bank as Custodian and to name the Plan Trustee(s)	Client
3rd week	4) Client signs board resolution and provides to H&H	Client
4th week	5) Data request sent to Client and Prior Actuary 6) Complete Plan information sheet for Schwab account setup documents	H&H
Weeks 4-6	7) Provide H&H with valuation data/benefit calculation data	Client/Prior Actuary
5th week	8) Order the Schwab account opening agreements	H&H
6th week	9) Coordinate conference call to review detailed transition steps and due dates	H&H
Weeks 6-8	10) Data reviewed & data questions are sent to Client and Prior Actuary (<i>remaining timing is contingent upon receipt of quality data</i>)	H&H
Weeks 8-10	11) Data answers provided to H&H	Client/Prior Actuary
Weeks 10-18	12) Programming PensionEdge® Plus Portal	H&H
12th week	13) Send PensionEdge® Plus Portal authorization form to Client 14) Deliver the Schwab account opening agreements and website access authorizations to Client	H&H
14th week	15) Return signed PensionEdge® Plus Portal authorization form to H&H 16) Return all signed Schwab account opening agreements, website authorization forms to H&H	Client
15th week	17) Set up Schwab account	H&H
17th week	18) Provide electronic Participant benefit payment file and supporting check register to H&H	Current Custodian/Client
	19) Schwab completes fund setup and provides H&H with CUSIP report for review	H&H
	20) Schwab provides letter of acceptance to H&H	H&H
18th week	21) H&H drafts benefit election package for review 22) Complete programming of Benefit Calculator 23) Send Current Custodian copy of Schwab's letter of acceptance and asset delivery instructions	H&H
Weeks 18 – 30	24) Testing of PensionEdge® Plus web portal	H&H

Sample Widget Company, Inc. Pension Plan
Transition timeline for Outsourcing and benefit payments from Schwab

Weeks 30 – 33	25) Set up Plan on recordkeeping system	H&H
	26) Set up benefit payment records on Schwab for start date	
	27) Draft letter of instruction for Client to move assets from Current Custodian to Schwab	Investment Advisor
	28) Client sends Current Custodian letter of instruction for wire	Client
	29) Mail Client countersigned Schwab docs for Client files	H&H
36th week	30) Final benefit payments made by Current Custodian	Current Custodian
	31) Benefit election package is approved	Client
Weeks 33-38	32) Receive test check register from Schwab for review	H&H
	33) Assets are wired to Schwab	Investment Advisor
	34) Draft Worktrack procedures step list for electing and receiving benefit payments	H&H
	35) H&H receives final benefit payment changes for the first benefit payments made from Schwab	Current Custodian/Client
	36) Review and approve retiree change in vendor notice (H&H to draft)	Client
38th week	37) Assets are received by Schwab	Investment Advisor
	38) Change in vendor notice on H&H letterhead in envelope with company logo and H&H return address is mailed to retirees	H&H
	39) Train client on PensionEdge® Plus	H&H
	40) Select FINAL features for PensionEdge® Plus	H&H/Client
39th week	41) Client may access Schwab website for inquiry	H&H
40th week	42) First benefit payments made by Schwab 43) PensionEdge® Plus web portal with benefit calculator ready for Participants 44) Mail PensionEdge® welcome letters to active and terminated vested Participants to introduce web portal and Service Center	H&H

TAB Q. TEAM BIOS



Steve A. Lemanski, FSA, FCA, MAAA

OPEB Practice Leader, Consulting Actuary

As OPEB practice leader and consulting actuary for the firm's Actuarial Services group, Steve is directly responsible for overseeing the team of actuarial professionals who manage the firm's other post-employment benefits (OPEB) plans. In this role, he is responsible for a wide range of projects including consulting on qualified and non-qualified defined benefit and post-retirement welfare plans, performing pension valuations, benefit calculations, cost estimates and reporting for FASB and GASB. He is also involved in plan studies and design work.

Steve has nearly 30 years of experience providing actuarial consulting services to diverse clients including municipalities, multi-employer pension funds, and Fortune 500 companies. His expertise covers valuations of defined benefit and OPEB plans, plan design, benefit certifications, experience studies, general administration of qualified plans, and consulting on a number of compliance related issues.

Prior to joining the firm, Steve was with Milliman where he served as principal and consulting actuary for a number of municipalities throughout Connecticut, Rhode Island and Massachusetts.

Steve graduated summa cum laude from Drew University with a bachelor's degree in applied mathematics and economics.

Steve is an enrolled actuary and holds a number of professional designations including fellow of the Society of Actuaries (FSA), fellow of the Conference of Consulting Actuaries (FCA), and member of the American Academy of Actuaries (MAAA). Steve is a past board member for the Connecticut Public Pension Forum and is chairperson of the EA-1 Actuarial Examination Committee.



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Cathleen B. Falconer

Actuarial Specialist

As an actuarial specialist for the firm's Actuarial Services group, Cathy is responsible for the actuarial review of mid-size corporate and municipal clients' plans. She is also team lead for the firm's Pension Outsourcing program, which includes PensionEdge® Plus, a full-service pension administration portal that provides access to participant and plan sponsor data. Cathy is also an integral resource for plan sponsors seeking assistance and guidance with the PensionEdge® Plus Service Center.

Cathy joined Hooker & Holcombe in 2007 and has over 20 years of experience in the actuarial industry. Prior to joining the firm, she worked as a pension consultant for Cigna, where she served as analyst for corporate and municipal clients. In this capacity, she provided technical review for peer analysts, worked with mainframe data bases including actuarial related systems, and managed unit workflow and analytical work. She also served in a training capacity for new hires and new technical systems procedures.

Cathy earned a Bachelor of Arts in Mathematics from American International College.



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Laura Hanson

Actuarial Specialist

As an actuarial specialist for the firm's Actuarial Services Group, Laura plays an integral role in the set-up and conversion of defined benefit plans into the pension administration system. She provides primary support to all users of the system within the organization as well as works directly with technology support to assist with any systems related matters. Laura continually provides training and communication to all Actuarial Services staff, as needed, for both new and ongoing features and enhancements. In addition, Laura provides a range of defined benefit services to corporate and municipal clients including benefit calculations, actuarial valuations and expense and disclosure calculations.

Laura joined Hooker & Holcombe in 2001 and has over 20 years of experience in actuarial consulting. Prior to joining the firm, she worked as a defined benefit actuarial assistant for Cigna. In this capacity, she served as an analyst for corporate and municipal clients, and assisted in the creation and testing of their defined benefit recordkeeping system.

Laura earned a Bachelor of Science in Applied Actuarial Mathematics Bryant University.



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Robert P. Lessard, ASA, ACA, MAAA

Actuarial Specialist

Experience

Rob is an actuarial specialist with Hooker & Holcombe. He has 16 years of experience in actuarial consulting, with an extensive background working with both pension and post-retirement benefits plans. Rob has specialized in valuation and plan design work for many public sector clients in Connecticut. He has completed approximately 60 valuations for PERAC public pension systems to comply with Sections 22D and 103 of MGL Chapter 32.

Rob has significant modeling and forecasting experience. In addition, he has worked on non-standard actuarial projects, such as experience studies, early retirement windows and asset-liability modeling. He also holds a role in training and implementation of ProVal actuarial software.

Prior to joining Hooker & Holcombe, Rob was a consultant for Buck Consultants, where he worked on public sector plans in Massachusetts, Rhode Island and Vermont.

Education

Rob earned a Bachelor of Arts in Mathematics with honors from Providence College.

Professional Affiliations

Rob holds a number of professional designations including, Associate of the Society of Actuaries (ASA), Associate of the Conference of Consulting Actuaries (ACA), and Member of the American Academy of Actuaries (MAAA).



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Robin C. Lane

Supervisor, Support Services

As supervisor of support services, Robin is responsible for working directly with plan sponsors and service providers to schedule, coordinate and direct all aspects of service center implementation. She also oversees a team of representatives who provide direct participant support, via phone, email and internet communications for clients that have elected outsourcing service. Robin has over 20 years of experience in the defined contribution field, with an expertise in new business implementation.

Prior to joining the firm, she was a defined contribution analyst for AON Hewitt.

Robin earned a bachelor of science magna cum laude in Business Management, with a minor in writing, from Ithaca College.

Robin serves on the Board of Directors for AHM Youth and Family Services, Inc.

Strategic
Elements.

Outstanding
Results.



Actuarial | Retirement | Investment
CONSULTING



Actuarial Services



The elements of our success lie in our ability to keep our clients informed and prepared by delivering proactive solutions. Whether you're a private or public sector employer, have 10 or 10,000 plan participants, we deliver an unmatched knowledge of the changes and challenges of actuarial consulting.

Our actuarial professionals are skillful architects in the design, implementation and administration of all varieties of post-employment benefit plans. With more pension actuaries under one roof than any other regional firm of our size, we have the intellectual capital and innovation needed to help your organization identify opportunities and achieve success.

OUR FULL RANGE OF ACTUARIAL SERVICES includes all of the elements you need to ensure your plan is cost-effective, meets all statutory and regulatory requirements, and most importantly, achieves your organization's goals.

■ Actuarial valuations	■ Experience studies
■ Funding strategies	■ Union negotiation planning
■ Plan design	■ Arbitration testimony
■ Asset liability modeling	■ Benefit calculations & plan administration
■ De-risking solutions	■ Pension Outsourcing program

We've built our reputation by delivering high quality, client-focused consulting services that make a difference in the way our clients' view their defined benefit plans. Our commitment to clients is evidenced by their loyalty - many have maintained long-standing relationships with us spanning multiple decades.

Our innovative consulting approach is also reflected in the way we connect your organization to pension technology and resources. Our Pension Outsourcing program helps plan sponsors better manage their retirement plans by allowing them to choose from four different service levels – Basic, Premier, Premier Plus and Comprehensive. Pension Outsourcing is driven by the power of PensionEdge® Plus, a secure and fully customizable online portal that gives plan sponsors control of their data.

Our full-service capabilities for both qualified and non-qualified defined benefit and OPEB plans give us the strategic elements needed to help your organization achieve outstanding results.



Investment Advisory



As independent investment advisors, our investment advisory group maintains a highly disciplined, results-driven philosophy. Our hands-on approach employs the skills and experience of knowledgeable investment professionals combined with sophisticated data, analytics and research.

Institutional Investments

Overseeing an institutional investment program is an increasingly complex and challenging task, requiring prudent advice and quality investment vehicles. Our consultants function as a “second pair of eyes,” assisting investment committee and board members by providing expert advice, sound governance and strategic investment solutions with the goal of improving structure, management and overall quality of investments.

We’re committed to providing objective, fiduciary-based investment advice. Through a thorough due diligence process, we ensure the investment vehicles we recommend meet our high standards and take into consideration your unique needs, risk tolerance and investment goals. We regularly monitor your portfolio’s performance and make timely recommendations as needed.

In addition, we foster partnerships with clients to educate their employees about financial well-being and retirement readiness. From seminars on the best age to begin collecting social security to tools that help employees better understand risk, the H&H

Knowledge Center helps to ensure that participants can take full advantage of their benefits package. We’re also experts at delivering comprehensive, customized communications programs for clients during transition periods.

Individual Wealth Management

Our goal is simple: build sound financial plans that keep an individual’s financial goals on track, organized and working for them, delivered by the highest level of personalized service.

As investment fiduciaries with significant experience and a belief in full transparency, we understand that long-term portfolio performance is driven primarily by strategic asset allocation. We provide timely and actionable advice on the global economy and how it affects investment strategies, as well as provide comprehensive educational tools and seminars that make it easy for individual investors to understand the rationale behind planned investing. We believe the more involved and knowledgeable investors are, the better their financial journey.



Retirement Services



Today's defined contribution plans face an incredibly challenging and ever-changing environment. Market volatility and economic uncertainties, combined with fiduciary issues, lack of fee transparency, and complex laws and regulations make it fundamental that your retirement program adheres to modern fiduciary and ERISA principles.

While our retirement solutions and trust platform partners are unique to each one of our clients, all are focused on open architecture, risk management, streamlined operations and effective plan governance. Our consultants make it a priority to stay up-to-date with retirement plan issues and new legislation to keep clients informed and to ensure compliance.

Our PensionEdge® Service Center is staffed with knowledgeable representatives who are dedicated to understanding all aspects of a client's retirement plan. Supported by secure and robust online tools that give plan sponsors and participants instant access to their data, users can view statements, run scenarios, request a pension package and more.

Due to our strategic alliances with leading national providers, we are able to offer our clients large-scale resources while keeping the relationship at the local level.

Our exceptional service, knowledgeable professionals and vast resources gives us the elements needed to identify opportunities, achieve success and exceed our clients' expectations.

OUR FULL RANGE OF RETIREMENT SERVICES INCLUDE:

- Plan design, consulting and administrative expertise
- Trust and custody
- Plan transition services
- Participant enrollment and education services
- Sponsor and participant websites, backed by knowledgeable PensionEdge® Service Center professionals

OUR PLANS INCLUDE:

- 401(a)
- 401(k)
- 403(b)
- 457
- Executive
- ERISA and Non-ERISA

Identify the principal concerns most affecting your organization. Formulate solutions that provide the basis of today's planning while providing a foundation for the future. Achieve, and then exceed, each and every goal.

At Hooker & Holcombe, we are well positioned to combine each of these elements to help your organization meet its goals and look to the future. Whether it involves restructuring a pension, creating an investment strategy, or modernizing a 401(k), 403(b) or 457 plan to achieve maximum participation, our innovative solutions, creative people and leading-edge technology are the fundamentals to realizing results.

Our Approach

It's elemental: we're inventive, hands-on, focused and deliberate. The basis of our success lies in the depth of our experience and the tenacity of our seasoned professionals supported by leading edge technology, trust platforms and detailed, proven processes.

About Us

Hooker & Holcombe opened its doors in 1956 as a full service pension and actuarial consulting firm. Today, we offer an array of retirement planning and investment advisory consulting services for all types of employer-sponsored plans. In addition, our investment advisory group provides individual wealth management services.

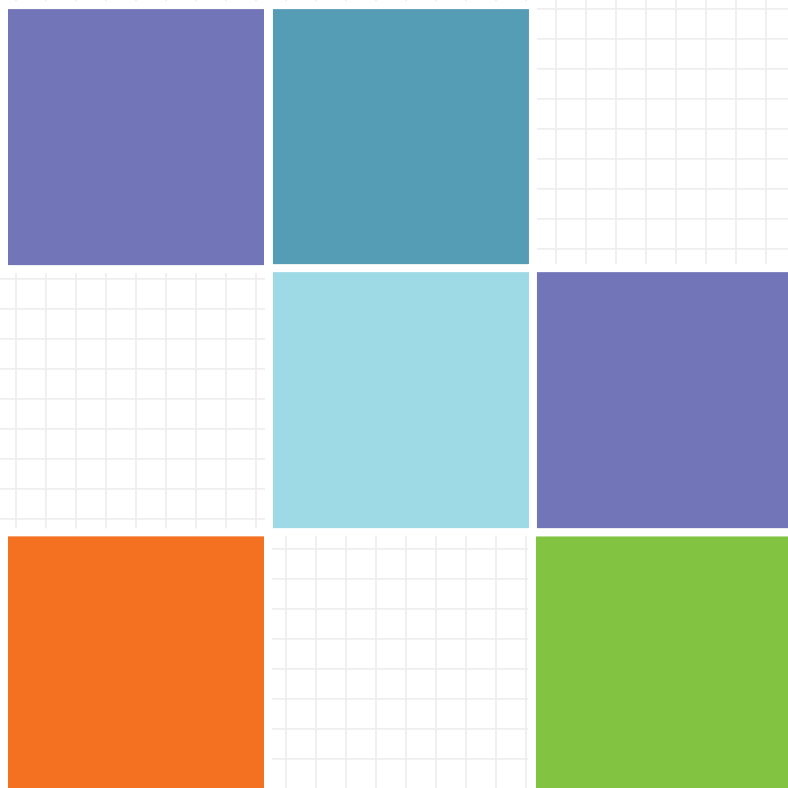
Our reputation for integrity combined with our ability to deliver outstanding professional services has made us one of the premier actuarial, retirement and investment advisory firms in the Northeast.

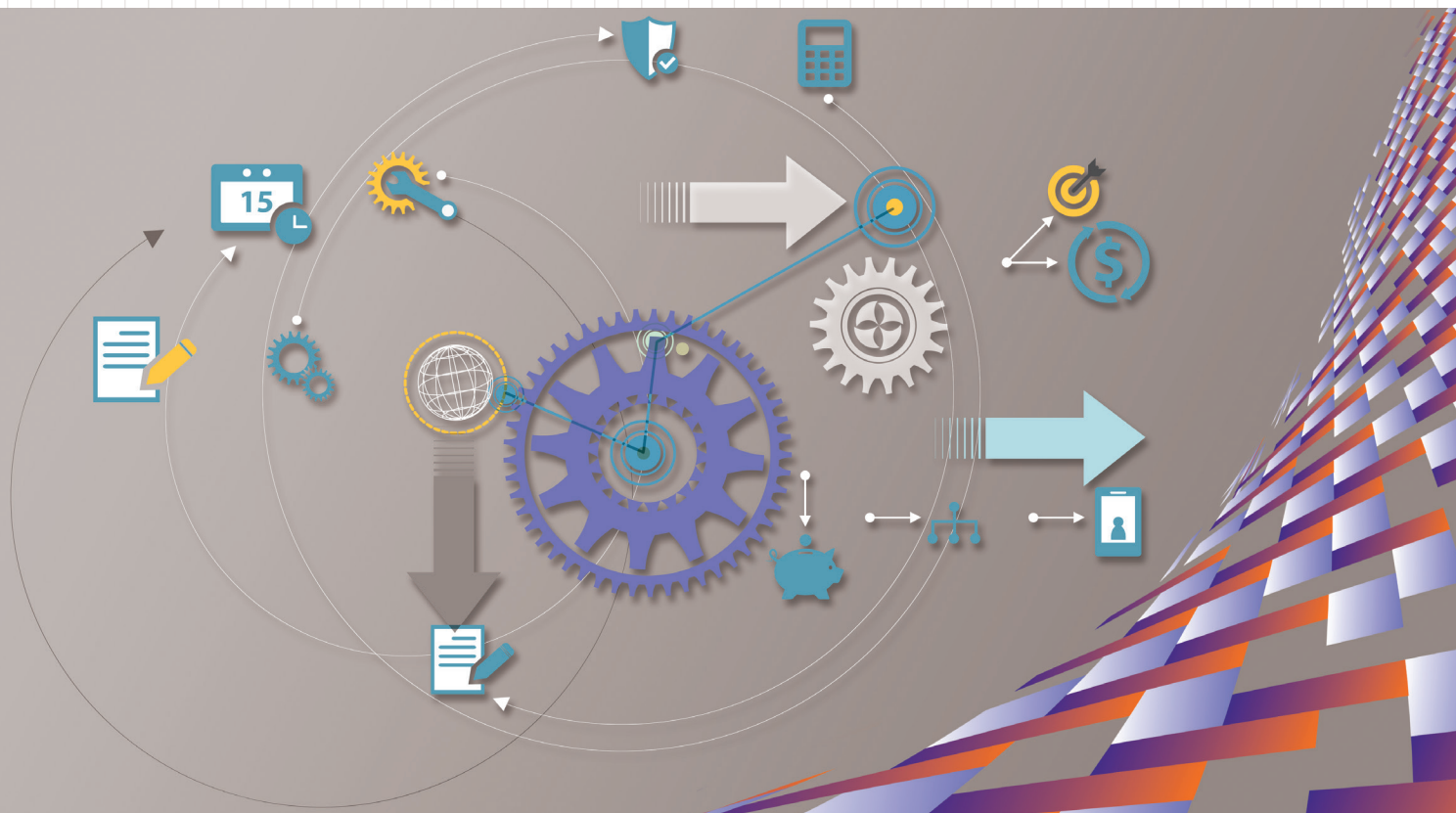




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Simplifying Pension Administration

Four service levels let you choose the right model for your needs.

Each model provides you with a different set of options ranging from basic viewing rights to full service outsourcing.

Additional services such as mailings, person locator and retiree death audit services, on-site education and other administrative options are also available.

Pension Outsourcing, backed by the power of PensionEdge® Plus, gives plan sponsors and participants the edge they need to take charge of their pension information—quickly, easily and efficiently.

If you're looking to ease the burden of managing your organization's pension plan while providing your participants with maximum convenience, talk to Hooker & Holcombe today.

Connecting your organization to pension technology and resources.

Since 1956, Hooker & Holcombe has been delivering cost-effective and innovative pension and actuarial consulting solutions for non-profits, corporations and municipalities located throughout the Northeast.

Today, we're a leading provider of pension and actuarial services, institutional investment advisory, retirement plan consulting and individual wealth management planning.



Now, your organization can take advantage of our years of experience in retirement consulting with Pension Outsourcing. An innovative approach that helps plan sponsors better manage their retirement plans by choosing only the level of service they need. Whether you're looking for basic online viewing rights, more advanced features such as online benefit calculations, or the efficiency of a full-service model that lets us manage your complete program, we have a solution that is right for your organization.

Pension Outsourcing is driven by PensionEdge® Plus, a fully customizable, paperless portal that gives plan sponsors control over plan data. Using secure technology, plan sponsors can view all participant transactions in one location, plus quickly query reports.



Self-service benefit projections and other administrative duties previously routed through your Human Resources Department can now be completed by participants online, quickly and easily.



Providing essential support is also a key element to giving plan participants access to information. In addition to online tools, participants can get help with password resets and web navigation from our PensionEdge® Service Center. Depending on the level of service selected by our client, our knowledgeable PensionEdge® Service Center representatives assist participants with questions about their benefit estimates, completing and processing retirement packages, and other required forms.

PensionEdge® Plus provides a single source of data with seamless reporting, robust reports, integrated valuation data and paperless documents that can be archived and retrieved. Pension Outsourcing provides a comprehensive end-to-end solution for busy plan sponsors. Together, they simplify plan administration.

PensionEdge® Plus features:

- Configurable data access
- Paperless documents
- Real-time benefit calculations
- Online newsfeed and communications
- Worktrack—an online assistant that provides you and your staff with maximum efficiency
- Software as a solution (SaaS) and SSL encryption ensures complete data integrity
- No hardware or software to purchase
- Dynamic reporting



	Basic	Premier	Premier Plus	Comprehensive
PensionEdge® Plus Portal Features				
View annual participant benefit statement	●	●	●	●
View documents	●	●	●	●
Add documents		●	●	●
View census data		●	●	●
Sponsor access Benefit Estimate Calculator		●	●	●
Participant access Benefit Estimate Calculator			●	●
Sponsor access Final Benefit Calculation		●	●	
Sponsor access Final Benefit Calculation and full benefit package request				●
Participant access Final Benefit Calculation and full benefit package request (Premium Plus: email to sponsor for completion, Comprehensive: email to H&H for completion)			●	●
Sponsor access Worktrack		●	●	●
Sponsor access standard reports and data worksheets		●	●	●
Participant Data Maintenance				
Annual census data update	●	●	●	●
Quarterly or monthly census data updates through regular payroll data feeds				●
Sponsor online participant data maintenance		●	●	●
Benefit Package & Payment Process				
Sponsor prepares (using sponsor calculation), mails, collects, audit review & follow-up	●			
Sponsor prepares (using DB PEP calculation), mails, collects, audit review & follow-up		●	●	
H&H prepares (using DB PEP calculation and sponsor approval via Worktrack), mails, collects, audit review & follow-up				●
Sponsor submits to Custodian	●	●	●	
H&H submits to Custodian				●
Sponsor reconciles distributions and repetitive benefit payments	●	●	●	
H&H reconciles distributions and repetitive benefit payments				●
PensionEdge® Service Center Assistance				
Assistance with login and web navigation	●	●	●	●
Assistance with employee requests for plan information				●
Assistance with address updates				●
Assistance with Benefit Estimate Calculator (Participant)			●	●
Assistance with Benefit Estimate Calculator (Sponsor)		●	●	●
Assistance with Final Benefit Calculation Request (Participant)				●
Assistance with Final Benefit Calculation (Sponsor)			●	●
Assistance with forms completion				●
Assistance with Payment Maintenance				●
PensionEdge® Plus Training				
Online Sponsor User Guide	●	●	●	●
Online Participant User Guide	●	●	●	●
On-site sponsor training		●	●	●

Additional services include:*

- Preparation of final election packages
- On-site education
- Participant mailings
- Missing participant locator
- Retiree death audits
- QDRO review/administration
- Collection and storage of beneficiary forms
- Custom reports and surveys

* Additional services are contracted on an hourly or project fee basis.

About Hooker & Holcombe

Hooker & Holcombe opened its doors in 1956 as a full-service pension and actuarial consulting firm. Over the years, the firm has expanded its services to include comprehensive, integrated consulting and investment advisory services for all types of employer-sponsored retirement plans. In addition, wealth management services are available to individuals seeking customized financial planning services. Hooker & Holcombe's reputation for integrity, combined with its ability to deliver outstanding professional services, has made it one of the premier actuarial, retirement services and investment advisory firms in the Northeast. For more, visit hhconsultants.com.



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www.hhconsultants.com

ATTACHMENT C

BURLINGTON CONSULTANT CONDITIONS

1. **RELATIONSHIP:** The Consultant is an independent consultant and shall act in an independent capacity and not as officers or employees of the City. To that end, the Consultant shall determine the method, details, and means of performing the work, but will comply with all legal requirements in doing so. The Consultant shall provide its own tools, materials or equipment. The Parties agree that neither the Consultant nor its Principal(s) or employees is entitled to any employee benefits from the City. Consultant understands and agrees that it and its Principal(s) or employees have no right to claim any benefits under the Burlington Employee Retirement System, the City's worker's compensation benefits, health insurance, dental insurance, life insurance, or any other employee benefit plan offered by the City. The Consultant agrees to execute any certifications or other documents certifying to the representations in this Section 1 and to provide any certificates of insurance required by the City and understands that this Agreement is conditioned on its doing so, if requested.

The Consultant understands and agrees that it is responsible for the payment of all taxes on the above sums and that the City will not withhold or pay for Social Security, Medicare, or other taxes or benefits or be responsible for any unemployment benefits.

2. **INDEMNIFICATION:** The Consultant shall indemnify, defend, and hold harmless the City and its officers and employees from liability and any claims, suits, expenses, losses, judgments, and damages arising as a result of the Consultant's acts and/or omissions in the performance of this Agreement. If the City, its officers, agents, or employees are notified of any claims asserted against it to which this indemnification provision may apply, the City shall immediately thereafter notify the Consultant in writing that a claim to which the indemnification provision may apply has been filed. Consultant shall immediately retain counsel and otherwise provide a complete defense against the entire claim or suit. The City retains the right to participate, at its own expense, in the defense of any claim, and to approve all proposed settlements of claims to which this provision applies. Under no conditions shall the City be obligated to indemnify the Consultant or any third party, nor shall the City be otherwise liable for expenses or reimbursement including attorney's fees, collection costs, or other costs of the Consultant or any third party.
3. **INSURANCE:** Prior to beginning any work, the Consultant shall obtain the following insurance coverage from an insurance company registered and licensed to do business in the State of Vermont and having an A.M. Best insurance rating of at least A-, financial size category VII or greater (www.ambest.com). The certificate of insurance coverage shall be documented on forms acceptable to the City. Compliance with minimum limits and coverage, evidenced by a certificate of insurance showing policies and carriers that are acceptable to the City, must be received prior to the Effective Date of the Agreement. The insurance policies shall provide that insurance coverage cannot be canceled or revised without thirty (30) days prior notice to the City. In the event that this Agreement extends to greater than one year, evidence of continuing coverage must be submitted to the City on an annual basis. Certified copies of any insurance policies may be required. Each policy shall

name the City as an additional insured. It is agreed that the liability insurance furnished by the Consultant is primary and non-contributory for all the additional insured.

The Consultant is responsible to verify and confirm in writing to the City that: (i) all sub-consultants must comply with the same insurance requirements as the Consultant; (ii) all coverage shall include adequate protection for activities involving hazardous materials; and (iii) all work activities related to the Agreement shall meet minimum coverage and limits.

No warranty is made that the coverage and limits listed herein are adequate to cover and protect the interests of the Consultant for the Consultant's operations. These are solely minimums that have been developed and must be met to protect the interests of the City.

A. GENERAL LIABILITY AND PROPERTY DAMAGE: With respect to all operations performed by the Consultant, sub-consultants, agents or workers, it is the Consultant's responsibility to insure that general liability insurance coverage, on an occurrence form, provides all major divisions of coverage including, but not limited to and with limits not less than:

1. Premises Operations
2. Independent Consultants' Protective
3. Products and Completed Operations
4. Personal Injury Liability
5. Agreement Liability
6. Broad Form Property Damage
7. Medical Expenses
8. Collapse, Underground and Explosion Hazards

Coverage limits shall not be less than:

1.	General Aggregate	\$2,000,000
2.	Products-Completed/Operations	\$2,000,000
3.	Personal & Advertising Injury	\$1,000,000
4.	Each Occurrence	\$1,000,000
5.	Fire Damage (Any one fire)	\$ 250,000
6.	Legal/Liability	\$ 50,000
7.	Med. Expense (Any one person)	\$ 5,000

B. WORKERS' COMPENSATION: With respect to all operations performed, the Consultant shall carry workers' compensation insurance in accordance with the laws of the State of Vermont and ensure that all sub-consultants carry the same workers' compensation insurance for all work performed by them under this Agreement.
Minimum limits for Employer's Liability:

1. Bodily Injury by Accident: \$500,000 each accident
2. Bodily Injury by Disease: \$500,000 policy limit,

\$500,000 policy limit; \$100,000 each employee

C. PROFESSIONAL LIABILITY INSURANCE:

1. General. The Consultant shall carry architects/engineers professional liability insurance covering errors and omissions made during their performance of contractual duties with the following minimum limits:
 - (a) \$3,000,000 - Annual Aggregate
 - (b) \$2,000,000 - Per Occurrence
2. Deductibles. The Consultant is responsible for any and all deductibles.
3. Coverage. Prior to performing any work, the Consultant shall provide evidence of professional liability insurance coverage defined under this section. In addition, the Consultant shall maintain continuous professional liability coverage for the period of the Agreement and for a period of five years following substantial completion of construction.

D. AUTOMOBILE LIABILITY: The Consultant shall carry commercial automobile liability insurance covering all motor vehicles, including owned, non-owned and hired, used in connection with the Agreement. Each policy shall provide coverage with a limit not less than: \$1,000,000 Combined Single Limit for each occurrence.

E. VALUABLE PAPERS AND RECORDS INSURANCE: The Consultant shall carry valuable papers insurance in a form and amount sufficient to ensure the restoration or replacement of any plans, drawings, field notes, or other information or data relating to the work, whether supplied by the City or developed by the Consultant, sub-consultant, worker, or agent, in the event of loss, impairment, or destruction. Such coverage shall remain in force until the final plans as well as all related materials have been delivered by the consultant to, and accepted by, the City. Unless otherwise provided, Valuable Papers and Records Insurance shall provide coverage on an "individual occurrence" basis with limits in the amount of one hundred and fifty thousand dollars (\$150,000) when the insured items are in the Consultant's possession, and in the amount of forty thousand dollars (\$40,000) regardless of the physical location of the insured items.

F. UMBRELLA LIABILITY:

1. \$1,000,000 Each Event Limit
 2. \$1,000,000 General Aggregate Limit
4. **GENERAL COMPLIANCE WITH LAWS:** The Consultant shall comply with all applicable Federal, State and local laws, including but not limited to the Burlington Livable Wage Ordinance, the Non-Outsourcing Ordinance, and the Union-Deterrence Ordinance and shall

provide the required certifications attesting to compliance with these ordinances (see attached ordinances and certifications).

Provisions of the Agreement shall be interpreted and implemented in a manner consistent with each other and using procedures that will achieve the intent of both Parties. If, for any reason, a provision in the Agreement is unenforceable or invalid, that provision shall be deemed severed from the Agreement, and the remaining provisions shall be carried out with the same force and effect as if the severed provisions had never been a part of the Agreement.

5. **CIVIL RIGHTS AND EQUAL EMPLOYMENT OPPORTUNITY:** During performance of the Agreement, the Consultant will not discriminate against any employee or applicant for employment because of race, age, color, religion, sex, sexual orientation, gender identity, national origin, disability or veteran status. Consultant, and any subcontractors, shall comply with any Federal, State, or local law, statute, regulation, Executive Order, or rule that applies to it or the services to be provided under this contract concerning equal employment, fair employment practices, affirmative action, or prohibitions on discrimination or harassment in employment.
6. **TAX REQUIREMENTS:** By signing the Agreement, the Consultant certifies, as required by law under 32 VSA, Section 3113, that under the pains and penalties of perjury, they are in good standing with respect to payment, or in full compliance with a plan to pay, any and all taxes due the State of Vermont as of the date of signature on the Agreement
7. **REGISTRATION:** The Consultant agrees to be registered with the Vermont Secretary of State's office as a business entity doing business in the State of Vermont at all times this Agreement is effective. This registration must be complete prior to Agreement execution.
8. **PERSONNEL REQUIREMENTS AND CONDITIONS:** The Consultant shall employ only qualified personnel, for responsible authority to supervise the work. The City shall have the right to approve or disapprove key personnel assigned to administer activities related to the Agreement.

Except with the approval of the City, during the term of the Agreement, the Consultant shall not employ:

1. Personnel on the payroll of the City who are directly involved with the awarding, administration, monitoring, or performance of the Agreement or any project(s) that are the subjects of the Agreement.
2. Any person so involved within one (1) year of termination of employment with the City.

The Consultant warrants that no company or person has been employed or retained, other than a bona fide employee working solely for the Consultant, to solicit or secure this Agreement, and that no company or person has been paid or has an agreement with the Consultant to be paid, other than a bona fide employee working solely for the Consultant,

any fee, commission, percentage, brokerage fee, gift, or any other consideration, contingent upon or resulting from the award or making of the Agreement. For breach or violation of this warranty, the City shall have the right to annul the Agreement, without liability to the City, and to regain all costs incurred by the City in the performance of the Agreement.

9. **TRANSFERS, SUBLETTING, ETC:** The Consultant shall not assign, sublet, or transfer any interest in the work, covered by this Agreement, without prior written consent of the City, and further, if any sub-consultant participates in any work involving additional services, the estimated extent and cost of the contemplated work must receive prior written consent of the City. The approval or consent to assign or sublet any portion of the work, shall in no way relieve the Consultant of responsibility for the performance of that portion of the work so transferred. The form of the sub-consultant's agreement shall be as developed by the Consultant and approved by the City. The Consultant shall ensure that insurance coverage exists for any operations to be performed by any sub-consultant as specified in the insurance requirements section of this Agreement.

The services of the Consultant, to be performed under the Agreement, are personal and shall not be transferred without written authorization of the City. Any authorized sub agreements shall contain all of the same provisions contained in and attached to the original Agreement with the City.

10. **CONTINUING OBLIGATIONS:** The Consultant agrees that if because of death, disability, or other occurrences, it becomes impossible to effectively perform its services in compliance with the Agreement, neither the Consultant nor its surviving members shall be relieved of their obligations to complete the Agreement unless the City agrees to terminate the Agreement because it determines that the Consultant is unable to satisfactorily execute the Agreement.
11. **OWNERSHIP OF THE WORK:** The Consultant agrees that the ownership of all studies, data sheets, survey notes, subsoil information, drawings, tracings, estimates, specifications, proposals, diagrams, calculations, EDM and other material prepared or collected by the Consultant, hereafter referred to as "instruments of professional service", shall become the property of the City as they are prepared and/or developed during execution of the Agreement. The Consultant agrees to allow the City access to all "instruments of professional service" at any time. The Consultant shall not copyright any material originating under the Agreement without prior written approval of the City. No publications or publicity of the work, in part or in total, shall be made without the express written agreement of the City, except that Consultant may in general terms use previously developed instruments of professional service to describe its abilities for a project in promotional materials.
12. **PROPRIETARY RIGHTS:** The Parties under the Agreement hereby mutually agree that, if patentable discoveries or inventions should result from work performed under the Agreement, all rights accruing from such discoveries or inventions shall be the sole property of the Consultant. The Consultant, however, agrees to and does hereby grant to the City an irrevocable, nonexclusive, non-transferable, and royalty-free license to the manufacture, use, and disposition of each such discovery or invention that may be developed as a part of the

work under the Agreement.

13. PUBLIC RECORDS: The Consultant understands that any and all records related to and acquired by the City, whether electronic, paper, or otherwise recorded, are subject to the Vermont Public Records Act and that the determination of how those records must be handled is solely within the purview of City. The Consultant shall identify all records that it considers to be trade secrets as that term is defined by subsection 317(c)(9) of the Vermont Public Records Act and shall also identify all other records it considers to be exempt under the Act. It is not sufficient to merely state generally that a record submitted to the City is proprietary or a trade secret or is otherwise exempt. Particular records, pages or section which are believed to be exempt must be specifically identified as such and must be separated from other records with a convincing explanation and rationale sufficient to justify each exemption from release consistent with Section 317 of Title 1 of the Vermont Statutes Annotated.

14. RECORDS RETENTION: The Consultant agrees to retain, in its files, and to produce to the City—within the time periods requested—all books, documents, Electronic Data Media (EDM), accounting records, and other records produced or acquired by the consultant in the performance of this agreement which are related to the City, at any time during this Agreement and for a period of at least three (3) years after its completion or termination. In addition, if any audit, claim, or litigation is commenced before the expiration of that three (3) year period, the records shall be retained until all related audits, claims, or litigation are resolved. The Consultant further agrees that the City shall have access to all the above information for the purpose of reviewing and audit during the term of the Agreement and anytime within the aforementioned retention period. Copies of all of the above referenced information shall be provided to the City if requested in the format in which the records were obtained, created, or maintained, such that their original use and purpose can be achieved. Consultant, sub-consultants, or any representatives performing work related to the Agreement, are responsible to insure that all data and information created or stored on EDM is secure and can be duplicated if the EDM mechanism is subjected to power outage or damage. Notwithstanding the foregoing, Consultant prefers to receive documents in electronic format. If Consultant receives documents from the City in paper format, Consultant may scan them or otherwise convert them to electronic format and destroy the paper documents unless the City has previously requested in writing that Consultant return any paper documents to the City. It is the City's responsibility to properly maintain any records as require by law.

15. APPEARANCES:

A. Hearings and Conferences. The Consultant shall provide professional services required by the City and necessary for furtherance of any work covered under the Agreement. Professional services shall include appropriate representation at design conferences, public gatherings and hearings, and appearances before any legislative body, commission, board, or court, to justify, explain and defend its contractual services covered under the Agreement.

The Consultant shall perform any liaison that the City deems necessary for the furtherance of the work and participate in conferences with the City, at any reasonable time, concerning interpretation and evaluation of all aspects covered under the Agreement.

The Consultant further agrees to participate in meetings with the City and any other interested or affected participant, for the purpose of review or resolution of any conflicts pertaining to the Agreement.

The Consultant shall be compensated in accordance with the Schedule of Services (Appendix A of Agreement) for such services and for any reasonable expenses incurred in relation thereto in accordance with the Agreement.

B. Appearance as Witness. If and when required by the City, the Consultant, or an appropriate representative, shall prepare and appear for any litigation concerning any relevant project or related contract, on behalf of the City. The Consultant shall be equitably paid, to the extent permitted by law, for such services and for any reasonable expenses incurred in relation thereto, in accordance with the Agreement.

16. CHANGES AND AMENDMENTS: No changes or amendments of the Agreement shall be effective unless documented in writing and signed by authorized representatives of the City and the Consultant.

17. APPENDICES: The City may attach, to these specifications, appendices containing various forms and typical sample sheets for guidance and assistance to the Consultant in the performance of the work. It is understood, however, that such forms and samples may be modified, altered, and augmented from time to time by the City as occasions may require. It is the responsibility of the Consultant to ensure that they have the latest versions applicable to the Agreement.

18. EXTENSION OF TIME: The Consultant agrees to prosecute the work continuously and diligently and no charges or claims for damages shall be made by the Consultant for delays or hindrances, from any cause whatsoever, during the progress of any portion of services specified in the Agreement. Such delays or hindrances, if any, may be compensated for by an extension of time for such reasonable period as the City may decide. Time extensions shall be granted by amendment, only for excusable delays, such as delays beyond the control of the Consultant and without the fault or negligence of the Consultant.

19. FAILURE TO COMPLY WITH TIME SCHEDULE: It is mutually understood and agreed to, that neither Party hereto shall be held responsible for delay in performing the work encompassed herein, when such delay is due to unforeseeable causes such as acts of God, or a public enemy, fire, strikes, floods, or legal acts of public authorities. In the event that any such causes for delay are of such magnitude as to prevent the complete performance of the Agreement within two (2) years of the originally scheduled completion date, either Party may by written notice request to amend or terminate the Agreement.

20. CITY'S OPTION TO TERMINATE: The Agreement may be terminated in accordance with the following provisions, which are not exclusive:

1. Breach of Agreement. Administrative remedies - the City may terminate this Agreement due to a breach by Consultant. Termination for breach of Agreement will be without further compensation to the Consultant.
2. Termination for Cause. The City may, upon written notice to the Consultant, terminate the Agreement, as of a date to be specified by the City, if the Consultant fails to complete the designated work to the satisfaction of the City, within the time schedule agreed upon. The Consultant shall be compensated on the basis of the work performed and accepted by the City at the date of final acceptance of the Work.
3. Termination for Convenience. In addition to its rights and options to terminate this Agreement as provided herein, the City may, at any time prior to completion of services specified under the Agreement, terminate the Agreement by submitting written notice to Consultant, within not less than thirty (30) days prior to the termination date, via certified or registered mail, of its intention to do so. If the termination is for the City's convenience, payment to the Consultant will be made promptly for the amount of any fees earned to the date of the notice of termination, less any payments previously made. However, if a notice of termination is given to a Consultant prior to completion of twenty (20) percent of the estimated services, as set forth in the approved Work Schedule and Progress Report, the Consultant will be reimbursed for that portion of any reasonable and necessary expenses incurred to date of the notice of termination, that are in excess of the amount earned under its approved fee to the date of said termination. Such requests for reimbursement shall be supported with factual data and shall be subject to the City's approval. The Consultant shall make no claim for additional compensation against the City by reason of such termination.
4. Contract Disputes. In the event of a dispute between the parties to this agreement each party will continue to perform its obligations unless the Agreement is terminated in accordance with these terms.

21. ACKNOWLEDGEMENTS: Acknowledgment of the City's support must be included in any and all publications, renderings and project publicity, including audio/visual materials developed under this Agreement.

22. RESPONSIBILITY FOR SUPERVISION: The Consultant shall assume primary responsibility for general supervision of Consultant employees and their sub-consultants for all work performed under the Agreement and shall be solely responsible for all procedures, methods of analysis, interpretation, conclusions and contents of work performed under the Agreement. The Consultant shall be liable to the City for all acts or omissions of their subcontractors and any other persons performing work under this Agreement.

23. PERFORMANCE IN ACCORD WITH PROFESSIONAL STANDARDS

Consultant shall perform the Work in the best and most workmanlike manner consistent with professional standards. If any of the Work is rejected by the City as failing to meet professional standards, Consultant will remove and replace the defective portions to the satisfaction and approval of the City, at the cost and expense of Consultant.

- 24. UTILITIES:** Whenever a facility or component of a private, public, or cooperatively-owned utility will be affected by any proposed construction, the Consultant will counsel with the City, plus achieve any necessary contacts and discussions with the affected owners, regarding any requirement necessary for revisions of facilities or existing installations, both above and below ground. Any such installations must be completely and accurately exhibited on any detail sheets or plans. The Consultant shall inform the City, in writing, of any such contacts and the results thereof.

- 25. PUBLIC RELATIONS:** Whenever it is necessary to perform work in the field, particularly with respect to reconnaissance, the Consultant will endeavor to maintain good relations with the public and any affected property owners. Personnel employed by or representing the Consultant shall conduct themselves with propriety. The Consultant agrees to inform property owners and/or tenants, in a timely manner, if there is need for entering upon private property as an agent of the City, in accordance with VSA Title 19 § 35 and §503, in order to accomplish the work under the Agreement. The Consultant agrees that any work will be done with minimum damage to the land and disturbance to the owner. Upon request of the Consultant, the City shall furnish a letter of introduction to property owners soliciting their cooperation and explaining that the Consultant is acting as an agent of the City.

- 26. INSPECTION OF WORK:** The City shall, at all times, have access to the Consultant's work for the purposes of inspection, accounting, and auditing, and the Consultant shall provide whatever access is considered necessary to accomplish such inspections. At any time, the Consultant shall permit the City or representative for the City the opportunity to inspect any plans, drawings, estimates, specifications, or other materials prepared or undertaken by the Consultant pursuant to the Agreement.

Conferences, visits to a site, or an inspection of the work, may be held at the request of any involved party or by representatives of the City.

- 27. RETURN OF MATERIALS:** Consultant agrees that at the expiration or termination of this Agreement, it shall return to City all materials provided to it during its engagement on behalf of City except as provided in Section 14 (in that case an electronic version will be returned by written request of the City).

- 28. PLANS RECORDS AND AVAILABLE DATA:** The City agrees to make available, at no charge, for the Consultant's use all available data related to the Agreement including any preliminary plans, maps, drawings, photographs, reports, traffic data, calculations, EDM, valuable papers, topographic survey, utility location plats, or any other pertinent public records.

29. DESIGN STANDARDS: Unless otherwise specifically provided for in the Agreement, or directed in writing, Consultant services, studies or designs, that include or make reference to plans, specifications, special provisions, computations, estimates, or other data shall be in conformance with applicable City, state, and federal specifications, manuals, codes or regulations, including supplements to or revisions thereof, adopted prior to or during the duration of this Agreement. In case of any conflict with the guidelines referenced, the Consultant is responsible to identify and follow any course of direction provided by the City.

30. REVIEWS AND ACCEPTANCES: All preliminary and detailed designs, plans, specifications, estimates or other documents prepared by the Consultant, shall be subject to review and endorsement by the City.

Approval for any inspections or sequences of progress of work shall be documented by letters, memoranda or other appropriate written means.

A frequency for formal reviews shall be set forth in the Agreement. Informal reviews, conducted by the City will be performed as deemed necessary. The Consultant shall respond to all official comments regardless of their source. The Consultant shall supply the City with written copies of all correspondence relating to formal and informal reviews.

No acceptance shall relieve a Consultant of their professional obligation to correct any defects or errors in their work at their own expense.

31. BINDING NATURE AND JURISDICTION: This Agreement shall be binding upon and shall inure to the benefit of the parties hereto, their successors or heirs and representatives, and assigns. This Agreement shall be governed by Vermont law, and the Consultant expressly agrees to submit to the jurisdiction of the courts of the State of Vermont.

32. PAYMENT PROCEDURES: The City shall pay, or cause to be paid to the Consultant or the Consultant's legal representative, payments in accordance with the Agreement. All payments will be made in reliance upon the accuracy of all representations made by the Consultant, whether in invoices, progress reports, emails, or other proof of work. When applicable, for the type of payment specified in the Agreement, the progress report shall summarize actual costs and any earned portion of fixed fee.

All invoices and correspondence shall indicate the applicable project name, project number and the Agreement number. When relevant, the invoice shall further be broken down in detail between projects.

When applicable, for the type of payment specified in the Agreement, expenses for meals and travel shall be limited to the current approved in-state rates, as determined by the State of Vermont's labor contract, and need not be receipted. All other expenses are subject to approval by the City and must be accompanied with documentation to substantiate their charges.

No approval given or payment made under an agreement, shall be conclusive evidence of the

performance of said agreement, either wholly or in part thereof, and no payment shall be construed to be acceptance of defective work or improper materials.

The City agrees to pay the Consultant and the Consultant agrees to accept, as full compensation, for performance of all services rendered and expenses encompassed in conformance therewith, the type of fee specified in the Agreement.

Upon completion of all services covered under the Agreement and payment of the agreed upon fee, the Agreement with its mutual obligations shall expire.

33. PAYMENT FOR ADDITIONS OR DELETIONS: The City may, upon written notice, and without invalidating the Agreement, require any changes to, additions to, or deletions from, the originally contemplated extent of the work, prior to completion of the Agreement by means of an amendment to the original Agreement. Any adjustments of this nature shall be executed under the appropriate fee established in the Agreement, based on the adjusted quantity of work, except that any claim for extension of time caused thereby shall be adjusted at the time of ordering such addition or deletion.

34. PAYMENT FOR EXTRA WORK, ADDITIONAL SERVICES OR CHANGES: The City may, upon written notice, and without invalidating the Agreement, require changes resulting from revision or abandonment of work already performed by the Consultant or changes in the scope of work.

The value of such changes, to the extent not reflected in other payments to the Consultant, shall be incorporated in an amendment and be determined by mutual agreement.

The Consultant agrees to maintain complete and accurate records, in a form satisfactory to the City for all time devoted directly to same by Consultant employees. The City reserves the right to audit the records of the Consultant related to any extra work or additional services. Any such services rendered shall be subject, in all other respects, to the terms of the Agreement. When changes are so ordered, no additional work shall be performed by the Consultant until an Agreement amendment has been fully executed, unless written notice to proceed is issued by the City. Any claim for extension of time, which may be necessitated as a result of extra work or additional services and changes, shall be given consideration and evaluated insofar as it directly relates to the change.

35. CONFLICT OF INTEREST: The Consultant shall disclose in writing to the City any actual or potential conflicts of interest or any appearance of a conflict of interest by the Consultant, its employees or agents, or its subcontractors, if any.

36. NO GIFTS OR GRATUITIES: The Consultant shall not make any payment or gift or donation of substantial value to any elected official, officer, employee, or agent of the City during the term of this Agreement.

37. **ASSIGNMENT:** Consultant shall not sublet or assign this Work, or any part of it, without the written consent of the City. If any subcontractor is approved, Consultant shall be responsible and liable for all acts or omissions of that subcontractor for any Work performed.
38. **WAIVER:** No waiver by City of any breach of this Agreement by Consultant shall constitute a waiver of any subsequent breach by the Consultant, and no delay in enforcement of any breach shall be deemed a waiver of that breach.
39. **ACCEPTANCE OF FINAL PAYMENT; RELEASE:** Consultant's acceptance of the final payment shall be considered as a release in full of all claims against the City or its agents arising out of or by reason of the Work.

Certification of Compliance with the City of Burlington's Livable Wage Ordinance

I, Steve Lemanski, on behalf of Hooker & Holcombe("the Contractor") in connection with a contract for Defined Benefit Plan Administration services that we provide to the City, hereby certify under oath that the Contractor (and any subcontractors under this contract) is and will remain in compliance with the City of Burlington's Livable Wage Ordinance, B.C.O. 21-80 et seq., and that

(1) as a condition of entering into this contract or grant, we confirm that all covered employees as defined by Burlington's Livable Wage Ordinance (including the covered employees of subcontractors) shall be paid a livable wage (as determined, or adjusted, annually by the City of Burlington's chief administrative officer) and provided appropriate time off for the term of the contract;

(2) a notice regarding the applicability of the Livable Wage Ordinance shall be posted in the workplace(s) or other location(s) where covered employees work;

(3) we will provide verification of an employee's compensation, produce payroll or health insurance enrollment records or provide other relevant documentation (including that of any subcontractor), as deemed necessary by the chief administrative officer, within ten (10) business days from receipt of a request by the City;

(4) we will cooperate in any investigation conducted by the City of Burlington's City Attorney's office pursuant to this ordinance; and

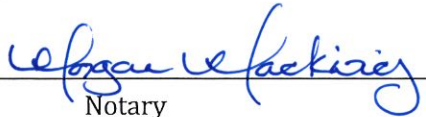
(5) we will not retaliate (nor allow any subcontractor to retaliate) against an employee or other person because an employee has exercised rights or the person has cooperated in an investigation conducted pursuant to this ordinance.

Date September 4, 2019

By: 
Contractor

Subscribed and sworn to before me:

Date September 4, 2019


Notary



Certification of Compliance with the City of Burlington's Outsourcing Ordinance

I, Steve Lemanski, on behalf of

Hooker & Holcombe (Contractor) and in connection with the

Defined Benefit Plan Administration Services

[project], hereby certify under oath that (1) Contractor shall comply with the City of Burlington's Outsourcing Ordinance (Ordinance §§ 21-90 – 21-93); (2) as a condition of entering into this contract or grant, Contractor confirms that the services provided under the above-referenced contract will be performed in the United States or Canada.

Dated at Bloomfield, CT, Vermont this 4 day of September, 2019.

By: 
Duly Authorized Agent

Subscribed and sworn to before me: 
Notary



OFFICIAL SEAL
MORGAN MACKIEWICZ
Notary Public Connecticut
My Comm. Expires 4/30/2020

Certification of Compliance with the City of Burlington's
Union Deterrence Ordinance

I, Steve Lemanski, on behalf of Hooker & Holcombe

(Contractor) and in connection with Defined Benefit Plan Administration (City
Services

contract/project/grant), hereby certify under oath that Hooker & Holcombe

(Contractor) has not advised the conduct of any illegal activity, and it does not currently, nor will
it over the life of the contract advertise or provide union deterrence services in violation of the
City's union deterrence ordinance.

Dated at Bloomfield, CT, Vermont this 4 day of September, 2019.

By: 
Duly Authorized Agent

Subscribed and sworn to before me:

Date: September 4, 2019

Morgan Mackiewicz, notary
Com. Exp 4/30/2020



OFFICIAL SEAL
MORGAN MACKIEWICZ
Notary Public Connecticut
My Comm. Expires 4/30/2020

ACORD™

CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)

04/04/2019

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an **ADDITIONAL INSURED**, the policy(ies) must be endorsed. If **SUBROGATION IS WAIVED**, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER Marsh & McLennan Agency LLC 800 Connecticut Ave, 4th Floor Norwalk, CT 06854	CONTACT NAME: Evelyn Sandberg PHONE (A/C, No, Ext): 203 663 0785 FAX (A/C, No): E-MAIL ADDRESS: Evelyn.Sandberg@Marshmma.com														
INSURED Hooker & Holcombe, Inc; Hooker & Holcombe Retirement Services Inc.; H&H Investment Advisors Inc; 1300 Hall Blvd, Ste 1C Bloomfield, CT 06002	<table border="1"> <thead> <tr> <th>INSURER(S) AFFORDING COVERAGE</th> <th>NAIC #</th> </tr> </thead> <tbody> <tr> <td>INSURER A : Hartford Casualty Insurance Company</td> <td>29424</td> </tr> <tr> <td>INSURER B : Hartford Underwriters Insurance Company</td> <td>30104</td> </tr> <tr> <td>INSURER C : Hudson Specialty Insurance Company</td> <td>37079</td> </tr> <tr> <td>INSURER D : Liberty Surplus Insurance Corporation</td> <td>10725</td> </tr> <tr> <td>INSURER E :</td> <td></td> </tr> <tr> <td>INSURER F :</td> <td></td> </tr> </tbody> </table>	INSURER(S) AFFORDING COVERAGE	NAIC #	INSURER A : Hartford Casualty Insurance Company	29424	INSURER B : Hartford Underwriters Insurance Company	30104	INSURER C : Hudson Specialty Insurance Company	37079	INSURER D : Liberty Surplus Insurance Corporation	10725	INSURER E :		INSURER F :	
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INSURER D : Liberty Surplus Insurance Corporation	10725														
INSURER E :															
INSURER F :															

COVERAGES

CERTIFICATE NUMBER:

REVISION NUMBER:

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSR	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	☒ COMMERCIAL GENERAL LIABILITY ☐ CLAIMS-MADE ☒ OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: ☒ POLICY ☐ PRO-JECT ☐ LOC OTHER:			02SBANU2263	01/01/2019	01/01/2020	EACH OCCURRENCE \$1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$1,000,000 MED EXP (Any one person) \$10,000 PERSONAL & ADV INJURY \$1,000,000 GENERAL AGGREGATE \$2,000,000 PRODUCTS - COMP/OP AGG \$2,000,000 \$
A	AUTOMOBILE LIABILITY ☐ ANY AUTO ☐ ALL OWNED AUTOS ☐ SCHEDULED AUTOS ☒ HIRED AUTOS ☒ NON-OWNED AUTOS			02SBANU2263	01/01/2019	01/01/2020	COMBINED SINGLE LIMIT (Ea accident) \$1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ \$
A	☒ UMBRELLA LIAB ☒ OCCUR ☐ EXCESS LIAB ☐ CLAIMS-MADE ☐ DED ☒ RETENTION \$10000			02SBANU2263	01/01/2019	01/01/2020	EACH OCCURRENCE \$5,000,000 AGGREGATE \$5,000,000 \$
B	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? ☒ Y ☒ N (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below		N/A	02WECLE2946	01/01/2019	01/01/2020	☐ PER STATUTE ☐ OTH-ER E.L. EACH ACCIDENT \$500,000 E.L. DISEASE - EA EMPLOYEE \$500,000 E.L. DISEASE - POLICY LIMIT \$500,000
C	Professional Liab			EMT122517	01/01/2019	01/01/2020	Claims Made Policies
D	*H&H/HHRS			IA5LAALUOA008	01/01/2019	01/01/2020	\$5,000,000 Shared Limit
	**HHIA						\$5,000,000 Shared Limit

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

*H&H/ HHRS: Retention: \$50,000 ** HHIA: \$150,000. Both Professional Liability policies are Claims Made.

Retro dates apply. Fidelity Bond - Crime limit \$1,000,000 with a \$25,000 Retention / Forgery or

Alteration: \$500,000 with a \$25,000 Retention - Evidence of Insurance

Each policy (with the exception of professional liability and workers compensation) shall name the Burlington Employees Retirement System (BERS) and the City of Burlington as an additional insured as required by written contract, agreement or permit.

CERTIFICATE HOLDER

CANCELLATION

City of Burlington, Director
 Financial Operations
 Burlington Employees' Retirement System
 149 Church Street
 Burlington, VT 05401

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

Wm. C. Cilento

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CITY OF BURLINGTON CONSULTANT AGREEMENT

This Consultant Agreement ("Agreement") is entered into by and between the City of Burlington, Vermont ("the City"), and Hooker & Holcombe, Inc. ("Consultant"), a Connecticut corporation located at 1300 Hall Blvd Suite 1C, Bloomfield, CT 06002. Consultant and the City agree to the terms and conditions of this Agreement.

1. RECITALS

- A. **Authority.** Authority to enter into this Agreement exists in the City Charter. Required approvals, clearance, and coordination have been accomplished from and within each Party.
- B. **Consideration.** The Parties acknowledge that the mutual promises and covenants contained herein and other good and valuable consideration are sufficient and adequate to support this Agreement.
- C. **Purpose.** Consultant has been selected to provide professional services to the City in connection with a Request for Proposal (RFP) for Burlington Employees' Retirement System Defined Benefit Plan Administration dated November 5, 2018 (Appendix B) and Consultant's Service Proposal for Defined Benefit Plan Administration Services (Proposal; Appendix C).

2. EFFECTIVE DATE AND TERM

- A. **Effective Date.** This Agreement shall not be valid or enforceable until the Effective Date. The City shall not be bound by any provision of this Consultant before the Effective Date, and shall have no obligation to pay Consultant for any performance or expense incurred before the Effective Date or after the expiration or termination of this Agreement.
- B. **Term.** This Agreement, and the Parties respective performance, shall commence on the Effective Date and expire upon, September 03, 2022 or the satisfaction of the City, unless sooner terminated as provided herein.

3. DEFINITIONS

The following terms shall be construed and interpreted as follows:

- A. **"Agreement Documents"** means all the documents identified in paragraph 4 of this Agreement.
- B. **"Effective Date"** means the date on which this Agreement is approved and signed by the City, as shown on the signature page of this Agreement.
- C. **"Party"** means the City or Consultant and **"Parties"** means the City and Consultant.

D. "Project" means Defined Benefit Plan Administration Services.

E. "Work" means the services described in §5 of this Agreement along with the specifications contained in the Agreement Documents as defined in §4 below.

4. AGREEMENT DOCUMENTS

The Agreement Documents are hereby adopted, incorporated by reference, and made part of this Agreement. The intention of the Agreement Documents is to establish the necessary terms, conditions, labor, materials, equipment, and other items necessary for the proper execution and completion of the Work to ensure the intended results.

The following documents constitute the Agreement Documents:

Attachment A: Request for Proposals dated November 5, 2018

Attachment B: Response to Request for Proposals dated November 30, 2018.

Attachment C: Burlington Consultant Conditions

Attachment E: City of Burlington Livable Wage Ordinance Certification

Attachment F: City of Burlington Outsourcing Ordinance Certification

Attachment G: City of Burlington Union Deterrence Ordinance Certification

Attachment H: Consultant's Certificate of Insurance

5. SCOPE OF WORK

The Consultant shall perform the services as listed in Attachments A (Request for Proposals) and B (Response to Request for Proposals).

6. PAYMENT FOR SERVICES

A. Professional Fees. The Fee Schedule in the Schedule of Services sets forth the fees for Consultant's services. Except where the Schedule of Services provides otherwise, Consultant's fees for professional services will be based on the time expended at Consultant's current (2019) hourly rates. Consultant's current hourly rates are subject to change periodically, usually on an annual basis, by no more than 3% per year. Consultant's 2019 hourly rates are:

- Consultants/Actuaries \$290-\$475
- Analysts/Technicians \$160-\$290
- Support \$100-\$160

B. Direct Expenses. In addition to professional fees, Consultant will bill the City for any expenses paid to others on the City's behalf and for other costs incurred by Consultant that are customarily paid by each client on an "as-used" basis, such as copier charges for non-incidental copying, courier and expedited delivery services, and travel expenses. If there are any Direct Expenses anticipated, Consultant shall incorporate those into a fee quote to City in advance of the project. If a disbursement is expected to exceed \$1,000, Consultant may ask the City to fund it in advance.

C. Taxes. Consultant understands that its services would be exempt from Vermont state and local sales tax. If any state or local sales tax (or similar tax) is or becomes applicable, it will be charged in addition to the above fees.

D. Invoice. Consultant shall submit one copy of each invoice and backup documentation for expenses to the Retirement Administrator via mail or e-mail to the following:

City of Burlington Retirement Administrator
149 Church Street, City Hall, Burlington, Vermont 05401
802-865-7097
Retirement@burlingtonvt.gov and RGoodwin@burlingtonvt.gov

Consultant shall not be entitled to payment under this Agreement without providing an invoice and sufficient backup documentation for expenses as set forth in this section. Consultant agrees to accept this payment as full compensation for performance of all services and expenses incurred under this Agreement.

E. Non-Appropriation. The obligations of the City under this Agreement are subject to annual appropriation by the Burlington City Council. If no funds or insufficient funds are appropriated or budgeted to support continuation of payments due under this Agreement, the Agreement shall terminate automatically on the first day of the fiscal year for which funds have not been appropriated. The Parties understand and agree that the obligations of the City to make payments under this Agreement shall constitute a current expense of the City and shall not be construed to be a debt or a pledge of the credit of the City. Agreement. The decision whether or not to budget and appropriate funds during each fiscal year of the City is within the discretion of the Mayor and City Council of the City.

The City shall deliver written notice to Consultant as soon as practicable of any non-appropriation, and Agreement Consultant shall not be entitled to any payment or compensation of any kind for work performed after the City has delivered written notice of non-appropriation.

7. AUTHORITY

Each Party represents and warrants to the other that the execution and delivery of this Agreement and the performance of such Party's obligations have been duly authorized.

8. BINDING EFFECT AND CONTINUITY

All provisions of this Agreement, including the benefits and burdens, shall extend to and be binding upon the Parties' respective heirs, successors and assigns. If a dispute arises between the Parties, each party will continue to perform its obligations under this

Agreement during the resolution of the dispute, until the agreement is terminated in accordance with its terms.

9. SEVERABILITY

The invalidity or unenforceability of any provision of this Agreement or the Agreement Documents shall not affect the validity or enforceability of any other provision, which shall remain in full force and effect, provided that the Parties can continue to perform their obligations under this Agreement in accordance with the intent of this Agreement

10. ENTIRE AGREEMENT

This Agreement and the Agreement Documents constitute the entire agreement and understanding of the Parties with respect to the subject matter of this Agreement. Prior or contemporaneous additions, deletions, or other changes to this Agreement shall not have any force or effect whatsoever, unless embodied herein.

11. MODIFICATION

Except as otherwise provided in this Agreement or the Agreement Documents, any modification to this Agreement shall only be effective if agreed to in a formal amendment to this Agreement, properly executed and approved by the Parties.

12. THIRD PARTY BENEFICIARIES

This Agreement does not and is not intended to confer any rights or remedies upon any person or entity other than the Parties. Enforcement of this Agreement and all rights and obligations hereunder are reserved solely to the Parties. Any services or benefits which third parties receive as a result of this Agreement are incidental to this Agreement, and do not create any rights for such third parties.

13. WAIVER

A Party's failure or delay in exercising any right, power, or privilege under this Agreement, whether explicit or by lack of enforcement, shall not operate as a waiver, nor shall any single or partial exercise of any right, power, or privilege preclude any other or further exercise of such right, power, or privilege.

14. FORCE MAJEURE

Neither party to this Agreement shall be liable to the other for any failure or delay of performance of any obligation under this Agreement to the extent the failure or delay is caused by acts or events beyond its reasonable control that render performance illegal or impossible ("Force Majeure"). To assert Force Majeure, the nonperforming party must prove that a) it made all reasonable efforts to remove, eliminate, or minimize the cause of delay or damage, b) diligently pursued performance of its obligations, c) substantially fulfilled all obligations that could be fulfilled, and d) timely notified the other part of the likelihood or actual occurrence of a Force Majeure event.

15. CHOICE OF LAW

Vermont law, and rules and regulations issued pursuant thereto, shall be applied in the interpretation, execution, and enforcement of this Agreement. Any provision included or

incorporated herein by reference which conflicts with said laws, rules, and regulations shall be null and void. Any provision rendered null and void by operation of this provision shall not invalidate the remainder of this Agreement to the extent capable of execution.

16. JURISDICTION

All suits or actions related to this Agreement shall be filed and proceedings held in the State of Vermont.

17. ASSIGNMENT

Consultant's rights and obligations under this Agreement are personal and may not be transferred or assigned without the prior, written consent of the City. Any attempt at assignment or transfer without such consent shall be void. Any assignment or transfer of Consultant's rights and obligations approved by the City shall be subject to the provisions of this agreement.

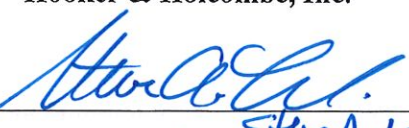
18. DATA SECURITY

Consultant shall have in place for the term of this Agreement and for all time that it is in possession of City information standardized security protection mechanisms and systems with a satisfactory SOC 1 Type 2 report for any systems used to store, process or transmit City's data. Consultant shall certify on execution and each anniversary date of the Agreement that it possesses and has in place the necessary and appropriate mechanisms, systems, policies and procedures to comply with commercially accepted standards for the protection of personal information. This provision shall survive the termination of this Agreement.

19. SIGNATURE

Persons signing for the Parties hereby swear and affirm that they are authorized to act on behalf of their respective Party and acknowledge that the other Party is relying on their representations to that effect.

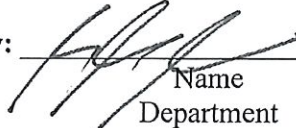
Consultant
Hooker & Holcombe, Inc.

By: 
Steve A. Lemanski, Vice President, Project Manager,
Consulting Architect

Date: 9/4/2019

City of Burlington
(Department)

By:


Name
Department

Beth Anderson, CAO

Date:

8/30/19

Appendix A - Schedule of Services

Type of Services	Services Provided	Fee
PensionEdge® Plus	- Interactive and informational website for plan administrators and participants - Provide ability for plan participants to estimate and project retirement - Includes quarterly data feeds and quarterly data reconciliation	\$43,000
Benefit Outsourcing	- PensionEdge® Service Center assistance for all participants - Accumulate, reconcile and maintain a comprehensive database for all participants includes maintaining data updates - Interaction with participants to process benefit calculations and set up payment including: - Mail completed benefit election package to participant - Answer participant questions - Audit submitted forms and - Correspond with participant until forms are complete and in good order - Submit completed forms to sponsor for authorization - Initial new retiree benefit payments with custodian - Assist in the set-up of surviving spouse upon death of retiree - Administer benefit payment maintenance - QDRO processing - Mailing of the following: - Letters to terminated vested participant with Accrued Benefits (includes preparation) - Letters to non-vested terminations (includes preparation) - Annual mailings to terminated vested participants one year prior to NRD (includes preparation) - Pension income verifications - Locate missing participants - Monthly benefit payment register audit and reconciliation - Retiree death audit review and action - Annual terminated vested death audit	\$69,300* On a time spent basis at hourly rates (currently \$165 per hour)
Benefit Calculations	- Prepare final benefit calculations including optional forms of benefit and forms package - Includes created of merged PDF for mailing and attaching to participant's online record - Confirm participant and spousal information	\$280 per calculation

Custodian	• Custody of assets • Asset valuation of accessible funds • Trust level statements • Retiree death audit • Calculations and remission of Federal and/or State taxes • Check reporting • Voids, stop payments, replacement checks	(benefit payments made via Charles Schwab) \$15,400**
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* Billed hourly based on time spent, actual amount could be higher or lower. Amount was estimated assuming an average of 35 hours per month (420 hours per year) spent on the activities listed under Pension Outsourcing. For the first three years, H&H will provide a 5% margin for Service Center Benefits Outsourcing annual hours "overage" at no extra charge, with a sliding scale of hourly rates thereafter:

First 5% of excess hours: no additional charge.

5% - 25% excess hours: \$165/hour

25% - 50% excess hours: \$160/hour

50%+ excess hours: \$155/hour

After the first three years, the 5% margin will no longer apply.

** Assuming that benefit payments are paid through a Charles Schwab account that is funded quarterly (assuming quarterly benefit payments of approximately \$4 million), the estimated current annual fee is approximately \$15,400. This estimate is broken down as follows: (a) base fee of \$5,000; (b) estimated asset-based fee \$2,000, which is 2.5 basis points on an average quarterly balance of \$2 million x 4 quarters; (c) per-payment cycle transaction fee estimated at \$8,400 per year (estimated based on approximately 700 retirees X \$1 per EFT x 12 months; additional fees of \$2 per transaction for paper checks, so this estimate increases by \$24 per year for each retiree who elects to receive a paper check).

Implementation:

- Set-up will take approximately 9-12 months after execution of agreement.
- H&H is waiving their transition fee based upon the agreement of a 3 year contract. Otherwise, a one-time transition fee for coding our systems would be \$48,000. Early termination of contract (prior to end of 3 year contract) by the City will result in pro-rated charge of transition fee.

Other Charges:

- **Special projects:** H&H is available to assist clients with special requests or ad hoc projects. Such projects are based on hourly rates. Before beginning special or ad hoc projects, H&H will provide BERS with an estimate of anticipated project costs based on the project scope. Work would begin as soon as the estimate is approved.

The 2019 hourly rates are provided below and are subject to change annually:

• Consultants1Actuaries	\$290-\$475
• Analysts1Technicians	\$160-\$290
• Support1Administrative	\$100-\$160

- **Educational services:** H&H's consultants and actuarial specialists are fully equipped to provide training on defined benefit topics. As a pension administration client, H&H will train the BERS staff on how to use the system, submit data/payroll. The WorkTrack feature is included in the price quote contained in the H&H proposal. H&H's Pension consultants also offer one-day on-site training or webinars on a variety of pension topics. The cost for additional pension education is \$1,500 per day which includes travel and expenses.

Additionally, H&H's investment advisory group offers on-site seminars and internet-based webinars on a variety of topics designed to help plan sponsors and committees better understand their fiduciary responsibilities. They also provide participant education sessions on a variety of topics designed to help participants better understand investment options, navigate social security and be financially prepared for retirement. Sessions are taught by highly-experienced consultants and/or education specialists, depending on content. The cost for investment advisory education is \$1,750 per day which includes travel expenses.

AGREEMENT TO PROVIDE ACTUARIAL CONSULTING SERVICES TO THE CITY OF BURLINGTON, VERMONT

THIS AGREEMENT, is made effective as of November 22, 2017 by and between Hooker & Holcombe, Inc. (hereinafter called the “Consultant”), a corporation with its principal place of business in West Hartford, Connecticut, and the City of Burlington, Vermont (hereinafter called “City”) as follows:

1. **PROJECT ENGAGEMENT:** Consultant has been selected to provide professional services to the City in connection with a Request for Proposal (RFP) for Burlington Employees Retirement System Pension and Other Post-Employment Benefits (OPEB) Actuarial Services dated July 12, 2017 (Appendix B) and Consultant’s Service Proposal for Pension and OPEB Actuarial Consulting Services (Proposal; Appendix C).

This engagement is not to be relied upon to disclose errors, irregularities, or illegal acts, including fraud or defalcations, which may exist with respect to the pension and other retirement plans covered by the agreement and services provided. However, Consultant shall inform the City of any such matters that come to Consultant’s attention.

2. **SERVICES TO BE PERFORMED:** Consultant shall provide the services set forth in Appendix A, “Schedule of Services” in conformance with the requirements of the RFP.
3. **TERM:** The term of this Agreement shall be for three years. Upon notice of at least ninety (90) days prior to the end of the current term, Consultant may exercise the option to extend the Agreement for an additional year. Consultant shall have this option for three (3) one-year periods. An extended Agreement shall be subject to the same terms and conditions as this Agreement except that the fees (both fixed and hourly), shall not exceed the 2019-2020 year fees by more than 3% per year.
4. **FEES AND EXPENSE:** The Parties agree that full compensation for performance of all services and expenses (including those of sub-Consultants) under this Agreement shall not exceed the maximum limiting amount of \$247,000 per year without duly authorized written approval; provided that Consultant shall be entitled to cease providing services if such approval is not obtained.

The fees and expenses for Consultants services are as follows:

- A. **Professional Fees.** The Fee Schedule in the Schedule of Services sets forth the fees for Consultant’s services. Except where the Schedule of Services provides otherwise, Consultant’s fees for professional services will be based on the time expended at Consultant’s current (2017) hourly rates. Consultant’s current hourly rates are subject to change periodically, usually on an annual basis, by no more than 3% per year. Consultant’s 2017 hourly rates are:

- Consultants/Actuaries \$260-\$440
- Analysts/Technicians \$150-\$260
- Support \$100-\$160

B. Direct Expenses. In addition to professional fees, Consultant will bill the City for any expenses paid to others on the City's behalf and for other costs incurred by Consultant that are customarily paid by each client on an "as-used" basis, such as copier charges for non-incidental copying, courier and expedited delivery services, and travel expenses. If there are any Direct Expenses anticipated, Consultant shall incorporate those into a fee quote to City in advance of the project. If a disbursement is expected to exceed \$1,000, Consultant may ask the City to fund it in advance.

C. Taxes. Consultant understands that its services would be exempt from Vermont state and local sales tax. If any state or local sales tax (or similar tax) is or becomes applicable, it will be charged in addition to the above fees.

D. Payment. Consultant will generally submit a monthly bill to the City in arrears for services provided unless a different arrangement is mutually agreed upon in writing in advance of services. All unpaid fees, expenses and costs are due thirty (30) days from the invoice date.

5. **CHANGES AND AMENDMENTS:** No changes or amendments of the Agreement shall be effective unless documented in writing and signed by authorized representatives of the City and the Consultant.
6. **RELATIONSHIP:** The parties agree that the Consultant is an independent Contractor. To that end, the Consultant shall determine the method, details, and means of performing the work, but will comply with all legal requirements, including but not limited to all regulatory requirements, in doing so. City shall provide the Consultant with no specific instructions or training in how to provide the required services, except to the extent required by law or regulation. The Consultant shall provide its own tools, materials or equipment. The parties agree that neither the Consultant nor its principal is an employee of City or any of its departments, agencies, or related entities. The parties also agree that neither the Consultant nor its principal is entitled to any employee benefits from City. Consultant understands and agrees that it and its principal have no right to claim any benefits under the Burlington Employee Retirement System, City's worker's compensation benefits, health insurance, dental insurance, life insurance or any other employee benefit plan offered by City. The Consultant agrees to execute any certifications or other documents certifying to the representations in this Section 6 and to provide any certificates of insurance required by City and understands that this contract is conditioned on its doing so, if requested.

The Consultant understands and agrees that it is responsible for the payment of all taxes on the above sums and that City will not withhold or pay for Social Security, Medicare, or other taxes or benefits or be responsible for any unemployment benefits.

7. **CONFIDENTIALITY:** Consultant agrees to maintain the full confidentiality of any information or processes relating to the City that it may obtain, view or observe during the term of this agreement. Consultant agrees that any information relating to individuals, including but not limited to information received in census data such as dates of birth, dates of hire, social security numbers and other personal information received from the City under this Agreement or any other information relating to individuals that Consultant may have access to in order to complete the work under this Agreement shall be maintained and used only for the purposes intended under this Agreement and in full conformity with law and regulation. Such agreements shall survive the termination of this Agreement.
8. **DATA SECURITY:** Consultant shall have in place for the term of this Agreement and for all time that it is in possession of City information standardized security protection mechanisms and systems with a satisfactory SOC 1 Type 2 report for any systems used to store, process or transmit City's data. Consultant shall certify on execution and each anniversary date of the Agreement that it possesses and has in place the necessary and appropriate mechanisms, systems, policies and procedures to comply with commercially accepted standards for the protection of personal information. This provision shall survive the termination of this Agreement.
9. **INDEMNIFICATION AND HOLD HARMLESS:** The Consultant will act in an independent capacity and not as officers or employees of the City. The Consultant shall indemnify, defend and hold harmless the City and its officers and employees from liability and any claims, suits, expenses, losses, judgments, and damages arising as a result of the Consultant's acts and/or omissions in the performance of this Agreement up to a limit of the total amount of fees paid to the Consultant hereunder. The City is responsible for its own actions. The Consultant is not obligated to indemnify the City or its officers, agents and employees for any liability of the City, its officers, agents and employees attributable to its, or their own, negligent acts, errors or omissions. In the event the City, its officers, agents or employees are notified of any claims asserted against it or them to which this Indemnification clause may apply, the City or its officers, agents and employees shall immediately thereafter notify the Consultant in writing that a claim to which the Indemnification Agreement may apply has been filed.
10. **INSURANCE:** Prior to beginning any work the Consultant shall obtain the following insurance coverage from an insurance company registered and licensed to do business in the State of Vermont and having an A.M. Best insurance rating of at least A-, financial size category VII or greater (www.ambest.com). The certificate of insurance coverage shall be documented on forms acceptable to the City. Compliance with minimum limits and coverage, evidenced by a certificate of insurance showing policies and carriers that are acceptable to the City, must be received prior to the effective date of the Agreement. The insurance policies shall provide that insurance coverage cannot be canceled or revised without thirty (30) days prior notice to the City. In the event that this Agreement extends to greater than one year, evidence of continuing coverage must be submitted to the City on an annual basis. Certified copies of any insurance policies may be required. Each policy (with the exception of

professional liability and workers compensation) shall name the Burlington Employees Retirement System (BERS) and the City as an additional insured. It is agreed that the liability insurance furnished by the Consultant is primary and non-contributory for all the additional insured.

The Consultant is responsible to verify and confirm in writing to the City that:

(a) Any sub-Consultants, agents or workers meet the minimum coverage and limits plus maintain current certificates of coverage for any sub-Consultants, agents or workers. Any sub-Consultants must comply with the same insurance requirements as the Consultant.

(b) All work activities related to the agreement shall meet minimum coverage and limits.

No warranty is made that the coverage and limits listed herein are adequate to cover and protect the interests of the Consultant for the Consultant's operations. These are solely minimums that have been developed and must be met to protect the interests of the City.

GENERAL LIABILITY AND PROPERTY DAMAGE:

With respect to all operations performed by the Consultant, any sub-Consultants, agents or workers, it is the Consultant's responsibility to insure that general liability insurance coverage, on an occurrence form, provides all major divisions of coverage including, but not limited to and with limits not less than:

1. Premises Operations
2. Independent Contractors' Protective
3. Products and Completed Operations
4. Personal Injury Liability
5. Contractual Liability
6. Broad Form Property Damage
7. Medical Expenses
8. Collapse, Underground and Explosion Hazards

1. General Aggregate	\$2,000,000
2. Products-Completed/Operations Aggregate	\$2,000,000
3. Personal & Advertising Injury	\$1,000,000
4. Each Occurrence	\$1,000,000
5. Fire Damage (Any one fire)	\$ 250,000
6. Med. Expense (Any one person)	\$ 5,000

WORKERS' COMPENSATION: With respect to all operations performed, the Consultant shall carry workers compensation insurance in accordance with the laws of the State of Vermont and ensure that any sub-Consultants carry the same workers' compensation

insurance for all work performed by them under this contract. Minimum limits for Employer's Liability:

- (a) Bodily Injury by Accident: \$500,000 each accident
- (b) Bodily Injury by Disease: \$500,000 policy limit, \$500,000 each employee

UNEMPLOYMENT INSURANCE: Consultant shall carry unemployment insurance as statutorily required.

PROFESSIONAL LIABILITY INSURANCE:

- (a) General. The Consultant shall carry professional liability insurance covering errors and omissions made during their performance of contractile duties with the following minimum limits:

\$3,000,000 - Annual Aggregate
\$1,000,000 - Per Claim

- (b) Deductibles. The Consultant is responsible for any and all deductibles.

- (c) Coverage. N/A

AUTOMOBILE LIABILITY: The Consultant shall carry commercial automobile liability insurance covering all motor vehicles, including owned, non-owned and hired, used in connection with the agreement. Each policy shall provide coverage with a limit not less than: \$1,000,000 - Combined Single Limit for each occurrence.

UMBRELLA LIABILITY:

\$1,000,000 Each Event Limit

\$1,000,000 General Aggregate Limit

11. **GENERAL COMPLIANCE WITH LAWS:** The Consultant shall comply with all applicable Federal, State and local laws, including but not limited to the Burlington Livable Wage Ordinance, the Non-Outsourcing Ordinance and the Union-Deterrence Ordinance and shall provide the required certifications attesting to compliance with these ordinances. Consultant shall be required to resubmit Livable Wage Ordinance compliance forms annually if the contract period is greater than one year. These forms are due by April 1st of the current year to indicate compliance with the ordinance. Consultant shall be required to meet the current Livable Wage rates posted by the City annually starting July 1st, regardless of the Livable Wage rate at the time of contract execution.
12. **SEVERANCE OF PROVISIONS:** Provisions of the Agreement shall be interpreted and implemented in a manner consistent with each other and using procedures that will achieve the intent of both parties. If, for any reason, a provision in the Agreement is unenforceable or invalid, that provision shall be deemed severed from the Agreement, and the remaining provisions shall be carried out with the same force and effect as if the severed provisions had

never been a part of the Agreement.

- 13. CIVIL RIGHTS and EQUAL EMPLOYMENT OPPORTUNITY:** During performance of the Agreement, the Consultant will not discriminate against any employee or applicant for employment because of race, age, color, religion, sex, sexual orientation, gender identity, marital status, veteran status, disability, HIV positive status or genetic information.

The Consultant shall comply with the applicable provisions of Title VI of the Civil Rights Act of 1964 as amended, Executive Order 11246 as amended by Executive Order 11375 and as supplemented by the Department of Labor regulations (41 CFR Part 60). The Consultant shall also comply with the rules, regulations and relevant orders of the Secretary of Labor, Nondiscrimination regulations 49 CFR § 21 through Appendix C, and Regulations under 23 CFR§710.405 (b). Accordingly, all subcontracts/agreements shall include reference to the above. The Consultant shall comply with all the requirements of Title 21, VSA, Chapter 5, Subchapter 6 and 7, relating to fair employment practices to the extent applicable. A similar provision shall be included in any and all subcontracts.

- 14. REGISTRATION:** The Consultant agrees to be registered with the Vermont Secretary of State's office as a business entity doing business in the State of Vermont at all times this Agreement is effective. This registration must be complete prior to Agreement execution.

- 15. PERSONNEL REQUIREMENTS AND CONDITIONS:** A Consultant shall employ only qualified personnel, for responsible authority to supervise the work.

Except with the approval of the City, during the term of the Agreement, the Consultant shall not employ:

(a) Personnel on the payroll of the City who are directly involved with the awarding, administration, monitoring, or performance of the Agreement or any project(s) that are the subjects of the Agreement.

(b) Any person so involved within one (1) year of termination of employment with the City.

The Consultant warrants that no company or person has been employed or retained, other than a bonafide employee working solely for the Consultant, to solicit or secure this Agreement, and that no company or person has been paid or has an agreement with the Consultant to be paid, other than a bonafide employee working solely for the Consultant, any fee, commission, percentage, brokerage fee, gift, or any other consideration, contingent upon or resulting from the award or making of the Agreement. For breach or violation of this warranty, the City shall have the right to annul the Agreement, without liability to the City, and to regain all costs incurred by the City in the performance of the Agreement.

16. TRANSFERS, SUBLETTING, ETC:

The services of the Consultant, to be performed under the Agreement, are personal and shall not be transferred without written authorization of the City. Any authorized sub agreements shall contain all of the same provisions for and attached to the original agreement with the City.

17. CONTINUING OBLIGATIONS: The Consultant agrees that if because of death or other occurrences, it becomes impossible to effectively perform its services in compliance with the Agreement, neither the Consultant nor its surviving members shall be relieved of their obligations to complete the Agreement. However, the City may terminate the Agreement if it considers a death or incapacity of any members to be a loss of such magnitude that it would affect the firm's ability to satisfactorily execute the Agreement.

18. PUBLIC RECORDS: Any and all records submitted to the city, whether electronic, paper, or otherwise recorded, are subject to the Vermont Public Records Act. The determination of how those records must be handled is solely within the purview of City. All records considered to be trade secrets, as that term is defined by subsection 317(c)(9) of the Vermont Public Records Act, shall be identified, as shall all other records considered to be exempt under the act. It is not sufficient to merely state generally that a record submitted to the City is proprietary or a trade secret or is otherwise exempt. Particular records, pages or section which are believed to be exempt must be specifically identified as such and must be separated from other records with a convincing explanation and rationale sufficient to justify each exemption from release consistent with section 317 of title 1 of the Vermont Statutes Annotated.

19. RECORDS RETENTION: The Consultant agrees to retain, in its files, and to produce to City within the time periods requested, all books, documents, Electronic Document Management (EDM), accounting records, and other evidence related to City, at any time during this Agreement and for a period of at least three (3) years after its termination. The Consultant further agrees that the City shall have access to all the above information for the purpose of reviewing and audit during the term of the Agreement and anytime within the aforementioned retention period. Copies of all of the above referenced information shall be provided to the City if requested. Consultant, sub-Consultants, or any representatives performing work related to the Agreement, are responsible to insure that all data and information created or stored on EDM is secure and can be duplicated if the EDM mechanism is subjected to power outage or damage. Notwithstanding the foregoing, Consultant prefers to receive documents in electronic format. If Consultant receives documents from the City in paper format, Consultant may scan them or otherwise convert them to electronic format and destroy the paper documents unless the City has previously requested in writing that Consultant return any paper documents to the City. It is the City's responsibility to properly maintain any records as required by law.

20. APPEARANCES: The Consultant will attend conferences, hearings, meetings of BERS, the Burlington City Council, etc. as required by the City. The Consultant shall perform any liaison that the City deems necessary for the furtherance of the work and participate in

conferences with the City, at any reasonable time, concerning interpretation and evaluation of all aspects covered under the Agreement. The Consultant further agrees to participate in meetings with the City and any other interested or affected participant, for the purpose of review or resolution of any conflicts pertaining to the Agreement. The Consultant shall be compensated in accordance with the Schedule of Services (Appendix A) for such services and for any reasonable expenses incurred in relation thereto in accordance with this Agreement.

- 21. SETTLEMENTS OF MISUNDERSTANDINGS:** If requested in writing by either the City or Consultant, the City and Consultant shall attempt to resolve any dispute between them arising out of or in connection with this Agreement by first entering into structured non-binding negotiations with the assistance of a mediator on a without prejudice basis. The mediator shall be appointed by agreement of the parties.
- 22. RIGHT TO TERMINATE:** Either party may terminate this Agreement at any time prior to completion of services specified under this Agreement on thirty (30) days' prior written notice via certified or registered mail of its intention to do so to the other party. If the termination is requested by the City, payment to the Consultant will be made promptly for the amount of any fees earned to the date of the notice of termination, less any payments previously made. However, if a notice of termination is given to a Consultant prior to completion of twenty (20) percent of the estimated services, as set forth in the approved Schedule of Services, the Consultant will be reimbursed for that portion of any reasonable and necessary expenses incurred to date of the notice of termination, that are in excess of the amount earned under its approved fee to the date of said termination. Such requests for reimbursement shall be supported with factual data and shall be subject to the City's approval. The Consultant shall make no claim for additional compensation against the City by reason of such termination.
- 23. RETURN OF MATERIALS:** Consultant agrees that at the termination of this Agreement, it shall return to City all materials provided to it during its engagement on behalf of City except as provided in Section 19 (in that case an electronic version will be returned by written request of City). Additionally, Consultant shall provide data back to the City as necessary to support a smooth transition to another provider.
- 24. PERMISSION TO USE INFORMATION IN MARKETING:** Consultant may use City's name, logo, and a general description of Consultant's services in Consultant's business development efforts and materials except for in an advertisement (posting on Consultant's website shall not constitute an "advertisement" for purposes hereof). If Consultant wishes to use the City's information in an advertisement, it shall get prior written approval. If City does not agree that Consultant may use this information, City will strike this paragraph by drawing a line through it and initialing it.
- 25. WORK PRODUCT:** Upon delivery, the City may use reports and other materials for any legitimate purpose related to administration of the plans to which the services relate, including but not limited to auditing the plan.

26. BINDING NATURE AND JURISDICTION: This Agreement shall be binding upon and shall inure to the benefit of the parties hereto, their successors or heirs and representatives, and assigns. This Agreement shall be governed by Vermont law, and the Consultant expressly agrees to submit to the jurisdiction of the courts of the State of Vermont.

27. NON-APPROPRIATION: The obligations of the City to make payments under this Agreement during more than one of the City's fiscal years shall constitute a current expense of the City and shall not in any way be construed to be a debt of the City in contravention of any applicable constitutional, statutory limitation or requirement, or the City's charter, nor shall anything contained in the contract constitute a pledge of the credit or tax revenues, funds or monies of the City. The decision whether or not to budget and appropriate funds during each fiscal year of the City is within the discretion of the governing body of the City. The obligations of the City under the contract are subject to annual appropriations by the governing body of the City. The City has appropriated sufficient funds to pay for the services to be provided hereunder through June 30, 2018.

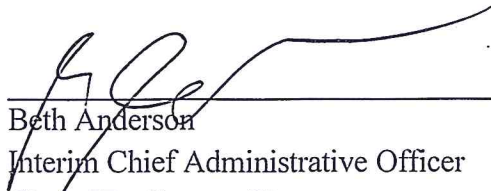
In the event no funds or insufficient funds are appropriated and budgeted for payments due under this Agreement, either party may elect to terminate this Agreement in accordance with this paragraph. The election to terminate must be exercised by delivering its prior written notice of its intent to terminate together with a certified statement by a party, an authorized official in the case the City is terminating, indicating that insufficient sums have been appropriated for the ensuing fiscal year of the City. Termination under this provision shall be effective upon the expiration of the applicable fiscal year of the Agreement and payment of all Agreement payments during that fiscal year.

28. CONFLICTS BETWEEN PROVISIONS: If there is a conflict in the requirements of this Agreement, including the attachments, the order of precedence in the RFP will apply.

29. COMPLETE AGREEMENT: This Agreement, including the attachments, is the complete and exclusive statement of the agreement between the parties with respect to the services set forth, superseding all other communications between the parties. If any provision of this Agreement is determined to be invalid or unenforceable, all other provisions shall remain in force.

30. COUNTERPARTS: This Agreement may be executed in any number of counterparts (including those delivered by facsimile or other electronic means), each of which shall be considered an original and all of which taken together shall constitute one and the same agreement.

Steve A. Lemanski, FSA, FCA, MAAA
Consulting Actuary
Hooker & Holcombe



Beth Anderson
Interim Chief Administrative Officer
City of Burlington, Vermont

Appendix A – Schedule of Services

1. Preparation of the annual actuarial valuation reports (draft & final) for the City's pension plan. Includes annual actuarial certification of the City's funding requirements. Also includes two meetings: one to present valuation results to the Board of Finance (in person or by teleconference) and one to the City Council (in person), and all related calculations, consulting and communications.
2. Annual GASB 67/68 Accounting Reports for City's pension plan.
3. Biennial (odd year) actuarial valuation report for the City's post-retirement medical (OPEB) plan. Includes meeting to present report results with odd year pension results and all related calculations, consulting and communications.
4. Annual GASB 45/75 Accounting Report for City's OPEB plan.
5. Preparation of responses to questions and data request from BERS' independent auditors regarding GASB 67 and 68 Valuation reports and the assumptions, methods and data used.
6. Review and certification of benefit calculations, as needed.

During our initial planning meeting with the City/BERS, mutually agreeable deadlines will be set for the above deliverables. The term of this contract shall be for a three (3) year period, with BERS having the option to extend the contract for an additional three one-year periods (TBD) under the same terms and conditions. Fees for the extended contract period will not exceed the 2019-2020 year fees (both fixed and hourly) by more than 3% per year.

FEE SCHEDULE

	Pension Valuation & meetings including GASB 67/68 reporting (1&2)	OPEB Valuation including GASB 45/75 reporting (3&4)	Work outside Valuation & GASB (5) *
July 1, 2017 to June 30, 2018	\$28,500	\$12,500	\$9,000
July 1, 2018 to June 30, 2019	\$29,000	\$2,500	\$9,000
July 1, 2019 to June 30, 2020	\$29,500	\$12,500	\$9,000
July 1, 2012 – June 30, 2017 Actuarial Experience Study	\$18,000		

* Fee estimate for 50 benefit calculation certifications. Actual fee will be based on \$180 per certification. Other work outside the valuation and annual accounting reports, including but not limited to benefit statements, cost estimates, union negotiations, etc., will be billed at our hourly rates. Any project expected to exceed \$1,000 will be quoted in advance with a "not to exceed" fee quote.

Our 2017 hourly rates follow:

▪ Consultants/Actuaries	\$260 - \$440
▪ Analysts/Technicians	\$150 - \$260
▪ Support	\$100 - \$160



DiMEO SCHNEIDER
& ASSOCIATES, L.L.C.

DiMeo Schneider & Associates, L.L.C.

INVESTMENT ADVISORY AND CONSULTING AGREEMENT

(Cash Balance, Traditional Defined Benefit or Non Participant-Directed Defined Contribution Plan)

The City of Burlington Employees' Retirement System (the "Plan")

On behalf of and in its capacity as the responsible plan fiduciary of the Plan referenced above, subject to the terms and conditions hereinafter set forth in this agreement ("Agreement"), the undersigned employer or other sponsor ("Plan Sponsor") of the Plan, or if applicable its Plan Committee (in either case, such party in its fiduciary capacity being referred to as "Client"), hereby retains DiMeo Schneider & Associates, L.L.C., an Illinois limited liability company with its principal office at 500 W. Madison, Suite 1700, Chicago, IL 60661 ("Adviser") to provide the services set forth in this Agreement for and on behalf of the Plan. With respect to those rights and obligations specifically belonging to Plan Sponsor under Section 6 (fees and costs) and Sections 10 and 13 (indemnification), Plan Sponsor enters into this Agreement for and on its own behalf and not in a fiduciary capacity on behalf of the Plan. Each of Client, Adviser and Plan Sponsor (acting on its own behalf) are referred to as a "Party," and collectively as the "Parties."

This Agreement is executed as of the date set forth in the Signature Page below with an effective date of January __, 2021 ("Effective Date").

1. Services of Adviser

During the term of this Agreement, Adviser shall provide the services described in Appendix I, subject to the selections made in Section 15, and the limitations set forth in Section 2 immediately following (collectively, the "Services"). The Services shall include the provision of investment advice (either non-discretionary or discretionary, as selected in Section 15(a)) with respect to certain investments of the Plan (the "Investments"), and the other services described in Appendix I.

In performing certain of the Services, Adviser will be a "fiduciary" to the Plan, as such term is defined under Section 3(21) of the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), including regulations and other rulemaking issued by the U.S. Department of Labor (the "DOL"). However, and notwithstanding any other provision herein, this Agreement shall not be construed as providing that:

- (a) Adviser is subject to any requirement set forth in ERISA or DOL regulations if the Plan is not subject to ERISA; or
- (b) Adviser is a fiduciary to the Plan pursuant to ERISA, or the Investment Advisers Act of 1940 (the "Advisers Act"), with respect to the performance of any Services that are not fiduciary in nature under ERISA, or the Advisers Act, respectively.

2. Limitations on Services; Excluded Assets

Under the terms of this Agreement, under no circumstances whatsoever shall Adviser provide, or have any responsibility or authority to provide:

- (a) legal, accounting, tax, audit, recordkeeping, or actuarial services of any kind;

- (b) physical custody of any securities or other investments, assets, or property of the Plan whatsoever;
- (c) services as the Plan's administrator or trustee, or services otherwise involving the exercise of any discretionary authority, responsibility, or control with respect to the Plan's administration or management;
- (d) with the exception of reporting and other ministerial (non-fiduciary) support functions that Adviser agrees to furnish, any services with respect to employer stock held by (or potentially held by) the Plan. If applicable, Client (or another third-party fiduciary), and not Adviser, shall at all times retain the sole discretion to determine whether the Plan shall purchase, hold, or sell any employer stock; or
- (e) with the exception of reporting and other ministerial (non-fiduciary) support functions that Adviser agrees to furnish, any services with respect to direct or contractual interests in land or other real property, operating companies, personal property, equipment, intellectual property, loans, precious metals, art, collectibles, insurance policies or other assets that do not constitute securities or investment funds (together, "Non-Investment Assets"). Client (or another third-party fiduciary), and not Adviser, shall at all times retain the sole discretion to determine whether the Plan shall purchase, hold, or sell any Non-Investment Assets. For the avoidance of doubt, "alternative" investment funds such as real asset funds, private real estate funds, commodity pools, private equity and hedge funds, REITs and collective investment trust (CIT) funds of the type held by tax-qualified retirement plans that fall within, or are appropriate in light of, the Plan's investment policy shall not be treated as Non-Investment Assets or Excluded Assets, as defined below.

In addition to the "Excluded Assets" described in subsections (d) and (e) above, other Excluded Assets that the Client will (or may) purchase, hold or sell on behalf of the Plan, if any, shall be identified by Client in Section 15(b). Likewise, any asset(s) purchased or acquired by the Plan which is not identified or known to Adviser is an Excluded Asset until such time as Adviser learns of, and agrees to provide Services with respect to, such asset(s). The Investments with respect to which Adviser shall provide investment advisory services (non-discretionary or discretionary, as selected in Section 15(a)) shall in no case shall include any Excluded Assets.

3. Certain Responsibilities of Client

Client agrees to promptly furnish Adviser with a copy of the applicable plan and/or trust documents, the investment guidelines applicable, including a list of any investment limitations or restrictions, a list of parties-in-interest and any other factors that may under ERISA or other applicable law (collectively, "Applicable Law"), give rise to additional restrictions as to the Investments that may be purchased by, or held by, the Plan (and which would therefore need to be reflected in the Plan's investment policy).

Client further agrees to provide or cause its (i.e., the Plan's) accountant(s), trustee(s), recordkeeper(s), TPA(s), legal adviser(s) or other professional advisors to provide information regarding income, investment performance, trade and trade execution details, and other pertinent matters as requested by Adviser from time to time. To the fullest extent permissible under Applicable Law, Adviser may rely upon conclusively, and shall have no duty to independently verify, information obtained from Client or Client's (or Plan's) professional advisors or other service providers. Client also agrees to inform Adviser, in writing, of any material change in any circumstances, needs or goals which might reasonably be expected to affect the Investments that may be purchased by, or held by, the Plan (and which would therefore need to be reflected in the Plan's investment policy).

Client shall be responsible for selecting a "Qualified Custodian" under Rule 206(4)-2 of the Advisers Act for the Plan.

Unless the Plan is not subject to part 4 of Title I of ERISA, Client agrees to take all necessary actions to ensure that all reporting and disclosure requirements set forth under ERISA are satisfied in full.

4. Confidentiality

Certain information and advice furnished by any Party to another, including their agents, affiliates, and employees, will be treated as confidential and not disclosed to third parties except as agreed upon in writing or required by law. Notwithstanding the generality of the previous sentence, Adviser may share certain information for business purposes as described in Adviser's Privacy Policy (as amended from time to time, a copy of which has been furnished to Client, and which is available on Adviser's website), and

any Party may make reasonable disclosure of confidential information to its own legal adviser(s), auditor(s) and similar professionals, as well as the recordkeeper and other professionals providing services to the Plan, provided that such professionals agree in each case to maintain the confidentiality of the same. Likewise, Client may identify the Plan's attorney(s), accountant(s) and/or other professional advisors to whom Client authorizes Adviser to share information about the Plan's investments and accounts (each, a "Contact"), in the attached Appendix II. Additionally, Client may share information about investments, strategies, and other information related to the Plan to stakeholders and the public as it deems appropriate. Adviser may rely conclusively upon its authorization to share information with any Contact(s) identified by Client in Appendix II, until otherwise instructed by Client in writing.

5. Basis of Advice

Client, on behalf of the Plan, its participants, and their beneficiaries ("Participants") acknowledges that Adviser obtains information from a wide variety of publicly available sources and/or certain private sources. The advice (whether non-discretionary or discretionary) provided by Adviser for the Plan is based upon Adviser's analysis of such information, and Adviser cannot guarantee the accuracy or validity of the data upon which its analysis, policy recommendations, or studies are based.

6. Adviser's Fees; Other Costs

- (a) As consideration for its Services under this Agreement, Adviser shall be entitled to receive the fees described in Section 15(d) ("Fees"), according to the terms described therein. All of Adviser's fees are due upon receipt of the invoice by the Client.
- (b) Adviser's Fees shall generally be paid by the Plan; provided however that Adviser's Fees must be paid by Plan Sponsor to the extent that (i) it would be impermissible under the Plan's governing documents and/or ERISA (or other Applicable Law) to pay Adviser's Fees from Plan assets, as determined by Client; or (ii) Adviser's Fees remain unpaid by the Plan sixty (60) days following the first date upon which they were first due and payable. Notwithstanding the generality of the previous sentence, this Agreement shall not be construed as prohibiting the payment of Adviser's Fees by Plan Sponsor in any case, and Plan Sponsor may choose to do so. In all cases, Client shall be responsible for ensuring that any payment of Adviser's Fees or other costs directly or indirectly from the assets of the Plan is permissible in all respects under the Plan's governing documents and ERISA (or other Applicable Law).
- (c) In addition to Adviser's Fees, the Plan (or Plan Sponsor, if it so chooses) is solely responsible for paying all investment management, investment advisory or other fees, transaction charges and other costs imposed by third-party portfolio managers or sub-advisers, brokers, custodians, mutual funds and other investment funds or products, and other investments of the Plan (together, "Other Costs"). By executing this Agreement, Client affirms its understanding that the Plan or the Plan Sponsor (and not Adviser) is responsible for paying all Other Costs, which apply in addition to, not in lieu of, Adviser's Fees.

7. Additional Representations and Warranties

Client hereby represents and warrants that:

- (a) On behalf of the Plan, Client shall select a Qualified Custodian of Client's own choosing. Client shall enter into arrangements with the Custodian for the Custodian to send Client (on no less than a quarterly basis) reports showing all receipts and disbursements from the Plan's custodial account(s), which statements shall reflect the amount of Adviser's Fees deducted from the account(s), all trades, the securities held in the custodial account(s) at the close of the period and the ending value of the custodial account(s). Client should review all statements for accuracy.
- (b) Client understands and acknowledges that Adviser is not responsible for the accuracy of any information disclosed in any report provided to the Adviser or the Client by any third party (including but not limited to any custodian, investment fund or third party investment manager) regarding any custodial account(s) or investment(s) of the Plan.

- (c) Client will reasonably cooperate with Adviser and any of its employees or agents on all matters relating to the Services for the Plan.
- (d) Client will provide, in a timely manner, accurate and complete information as Adviser may reasonably request in order to carry out the Services for the Plan.
- (e) Client understands that Adviser's obligation is to perform only those Services reflected in Appendix I, which is incorporated fully by reference and constitutes an integral part of this Agreement, subject to all other terms, limitations and conditions set forth in this Agreement.
- (f) Client understands that past performance may not be indicative of future results and there is a risk of loss. Different types of investments involve varying degrees of risk, and there can be no assurance that the future performance of any specific investment, investment strategy, or product (including the Investments recommended or selected by Adviser - as the case may be - for the Plan), will be profitable, equal any corresponding indicated historical performance level(s), or prove successful. Client acknowledges that investment losses can and will occur.
- (g) Client understands that Adviser will be using and relying on information furnished to Adviser by Client. Adviser will rely solely on such information in assisting with the development of the Plan's investment policy and providing the other Services under this Agreement without assuming any responsibility for independent investigation or verification of such information. Adviser assumes no responsibility for the accuracy or completeness of such information or any other information regarding the Plan or otherwise provided by Client, all of which will be the sole responsibility of Client.

Adviser hereby represents and warrants that:

- (a) Adviser is a registered investment adviser under the Advisers Act.
- (b) Adviser qualifies to act as a "qualified professional asset manager" (QPAM) within the meaning of DOL Prohibited Transaction Class Exemption 84-14.
- (c) Adviser will carry out the Services as an independent contractor of Client and the Plan; Adviser shall be responsible for all Adviser's employees and contractors, including the payment of their compensation and any required withholdings, if applicable. No such individual shall be deemed an employee of Client or Plan Sponsor solely due to his or her provision of services on behalf of Adviser.

8. Term; Termination

This Agreement will commence on the Effective Date, and continue in force until January 31, 2024. The parties may mutually agree to a two (2) year extension of the agreement in writing signed prior to the expiration of this initial agreement term.

Each of Client and Adviser may terminate this Agreement at any time effective upon sixty (60) days' prior written notice to the other. The Plan (or Plan Sponsor, under the circumstances described in Section 6(b)) will be responsible for all Fees relating to Services performed by Adviser prior to the effective date of such termination, and any prorated (post-termination) portion of the Fees will be refunded.

Termination notices should be sent to the following addresses:

ADVISER:

DiMeo Schneider & Associates, LLC
 Attention: Compliance Department
 500 W. Madison Street, Suite 1700
 Chicago, IL 60661
 Email: compliance@dimeoschneider.com

CLIENT:

The City of Burlington Employees' Retirement System
 Attention: Richard Goodwin,
 Clerk Treasurer's Office, City Hall
 149 Church Street, Burlington, VT 05401
 Email: rgoodwin@burlingtonvt.gov

9. Required Disclosures - ERISA Section 408(b)(2); Advisers Act

- (a) Adviser is an investment adviser registered with the Securities and Exchange Commission under the Advisers Act.
- (b) Adviser will provide those Services that constitute investment advisory services (either non-discretionary or discretionary, as selected in Section 15(a)) as a “fiduciary” to the Plan, within the meaning of ERISA Section 3(21).
- (c) Adviser will perform such additional Services for the Plan as are described in Appendix I.
- (d) Except as otherwise noted in subsections (e), (f) and/or (g) below, Adviser’s compensation for its Services shall consist solely of the Fees described in Sections 6(a) and 15(d), which shall be paid directly by the Plan (or Plan Sponsor, under the circumstances described in Section 6(b)).
- (e) On occasion, any individual employee, officer or partner of Adviser may receive meals, entertainment, complimentary attendance at events, small gifts or tokens (valued at less than \$250 per year, and which shall not include cash or any cash equivalents) from investment product sponsors or other third parties whose products or services may be used (or potentially used) for the Plan. Such gifts and amenities are not based on any specific service relationship with a particular client of Adviser, including Client or the Plan.
- (f) Except as described under subsection (e) immediately preceding, Adviser (together with its affiliates and subcontractors, if any) shall not receive any “indirect compensation” (as defined in DOL regulations under ERISA Section 408(b)(2)) from parties other than the Plan or Plan Sponsor, in connection with the Services, unless otherwise disclosed in Adviser’s ADV.
- (g) As defined in DOL regulations under ERISA Section 408(b)(2), Adviser (together with its affiliates and subcontractors, if any) shall not receive or pay among them any “compensation paid among related parties” that is transaction-based or charged against (or reflected in the value of) the Plan’s investments, in connection with the Services, unless otherwise disclosed in Adviser’s ADV.
- (h) In connection with the termination of this Agreement, Adviser shall not receive any special compensation, but rather shall be entitled to receive only those unpaid Fees described in Section 8 for Services previously furnished.
- (i) If any of the representations set forth in subsections (a) through (h) above should cease to be true during the term of this Agreement, Adviser shall furnish Client with updated disclosures according the timing and other requirements set forth in DOL regulations under ERISA Section 408(b)(2).
- (j) Adviser has delivered to Client Adviser’s Privacy Policy, Parts 2A and 2B of Adviser’s Form ADV. Client acknowledges receipt of such material.

10. Electronic Delivery and Signatures; Cybersecurity

By signing this Agreement, Client authorizes Adviser to deliver, and Client agrees to accept, all required regulatory notices and disclosures via electronic mail and/or via the Adviser’s portal, as well as all other correspondence from Adviser. Adviser shall have completed all delivery requirements upon the forwarding of such document, disclosure, notice and/or correspondence to Client’s last provided e-mail address (or upon advising Client via email that such document is available on the portal). It is Client’s obligation to notify Adviser, in writing, of any changes to Client’s email address. Until so notified, Adviser shall rely on the last provided e-mail address. Client acknowledges that Client has the ongoing ability to receive and open standard electronic mail and corresponding electronic documents. If, at any time, Client’s electronic delivery situation changes, or Client is unable to open a specific document, Client agrees to immediately notify Adviser so that the specific issue can be addressed and resolved.

Client (and Plan Sponsor, on its own behalf) likewise agree that any Party can execute this Agreement, and any future agreements, additions or amendments thereto, by computer or other electronic device, including internet, telephonic and wireless devices. Client (and Plan Sponsor) agree that by clicking on an "Agree," "Execute," "Finish," "Sign," "Submit Application," or other similarly worded button or entry field with a mouse, keystroke or other device, this Agreement, and any future agreements, additions or amendments thereto will be legally binding and enforceable and will be the legal equivalent of a handwritten signature on an agreement that is printed on paper.

Adviser shall exercise commercially reasonable efforts to confirm that any subcontractors and third-party service providers engaged by Adviser have implemented appropriate cybersecurity measures. Nonetheless, by signing this Agreement, Client (and Plan Sponsor, on its own behalf) each acknowledge and affirm that Adviser cannot guarantee the efficacy of such measures, over which Adviser has no direct control. In addition to the provisions set forth in Section 13 below, by signing this Agreement, to the fullest extent permissible under Applicable Law, Plan Sponsor agrees to indemnify and hold harmless Adviser and its affiliates, and each of their respective managers, members, officers, directors, employees, agents, and representatives, from and against any and all Losses (as defined in Section 13) which result from or arise out of any:

- (i) electronic transmission of information by Adviser, provided that Adviser correctly addressed the electronic transmission to Client and/or other intended recipient; or
- (ii) data breach or other cybersecurity incident occurring with respect to a subcontractor or other third-party service provider engaged by Adviser, provided that Adviser was not grossly negligent in the selection of such provider.

11. Assignment

This Agreement may not be assigned (within the meaning of the Advisers Act) by any Party without the prior consent of the other Party(ies). Client, on behalf of the Plan, acknowledges and agrees that transactions that do not result in a change of actual control or management will not be considered an assignment pursuant to Rule 202(a)(1)-1 under the Advisers Act. Client, on behalf of the Plan, further acknowledges and agrees that if there is a pending assignment of this Agreement (within the meaning of Advisers Act), Client will be provided with written notice of such event. If Client does not object to such assignment in writing within 60 days, it will be assumed the Client has consented to the assignment, and Services will continue to be provided for the benefit of the Plan under the terms and conditions of this Agreement.

12. Governing Law; Disputes

Except to extent preempted by ERISA (or other federal law), the validity of this Agreement and of any of its terms or provisions, as well as the rights and duties of the Parties hereunder, will be governed by the laws of the State of Vermont (without regard to choice of laws principles).

Vermont law, and rules and regulations issued pursuant thereto, shall be applied in the interpretation, execution, and enforcement of this Agreement. Any provision included or incorporated herein by reference which conflicts with said laws, rules, and regulations shall be null and void. Any provision rendered null and void by operation of this provision shall not invalidate the remainder of this Agreement to the extent capable of execution.

13. Indemnification

To the fullest extent permissible under ERISA or other Applicable Law, losses under this provision are to be covered by the assets and revenues of the Fund and this is not a pledge of the full faith and credit of the non-Plan assets of the City of Burlington. By signing this Agreement, to the fullest extent permissible under ERISA or other Applicable Law, Plan Sponsor agrees to indemnify and hold harmless Adviser and its affiliates and each of their respective managers, members, officers, directors, employees, agents, and representatives, from and against any civil penalties, losses, liabilities, claims, deficiencies, damages, expenses, and causes of action of any type, including, without limitation and regardless of whether incurred in connection with defending against or investigating a possible loss or otherwise, the reasonable fees and expenses of attorneys, accountants and experts ("Losses"), which result from or arise out of any:

- (i) act or omission constituting gross negligence, bad faith, willful misconduct, violation of Applicable Law or breach of fiduciary duty (i.e., under ERISA Section 404 or other Applicable Law) by Client (or Plan Sponsor) or its (their) officers, directors, employees, agents, or representatives;
- (ii) instructions provided to Adviser, or any inaccurate, incomplete, or untimely data provided to Adviser by Client or its officers, directors, employees, agents, or representatives, or the Plan's custodian or other data providers;
- (iii) breach of Client's responsibilities under this Agreement (including in particular those set forth in Sections 3 and 4); or
- (iv) breach of Client's representations and warranties under this Agreement (including in particular those set forth in Section 7).

By signing this Agreement, to the fullest extent permissible under ERISA or other Applicable Law, Adviser agrees to indemnify and hold harmless Client (and Plan Sponsor) and its (their) affiliates and each of their respective officers, directors, employees, agents, and representatives, from and against any Losses which result from or arise out of any:

- (i) act or omission constituting negligence, bad faith, willful misconduct, violation of Applicable Law or breach of fiduciary duty by Adviser or its officers, directors, employees, agents, or representatives;
- (ii) breach of Adviser's responsibilities under this Agreement, provided that with respect to Services that are non-fiduciary in nature, Adviser shall not be deemed for any purpose whatsoever under this Agreement to have breached its responsibilities so long as Adviser exercised reasonable care in the carrying out of such Services; or
- (iii) breach of Adviser's representations and warranties under this Agreement (including in particular those set forth in Section 7).

Notwithstanding anything in this Agreement to the contrary, no provision of this Agreement shall be construed so as to provide for the indemnification or exculpation of any Party for any liability (including liability under U.S. federal securities laws which, under certain circumstances, impose liability even on persons that act in good faith) to the extent (but only to the extent) that such indemnification or exculpation would be in violation of Applicable Law, but will instead be construed so as to effectuate such provision to the fullest extent permitted by law.

Likewise, this Agreement shall be construed in the broadest manner possible that is consistent with the limitations set forth in ERISA Section 410 and DOL regulations issued thereunder. In particular, the Parties acknowledge and agree that no indemnification for a fiduciary's breach or violation of part 4, Title I of ERISA by the Plan itself (i.e., from the Plan's assets) is permissible or intended.

14. Miscellaneous

- (a) This Agreement shall be applicable only to the Services provided by Adviser to or for the benefit of the Plan.
- (b) This Agreement represents the complete agreement of the Parties with regard to the subject matter and supersedes any prior understanding or agreement, oral or written.
- (c) To the fullest extent permissible under Applicable Law, Adviser may propose to amend this Agreement upon written notification to Client, and such amendment shall become effective upon the earlier of (i) Adviser's receipt of Client's written consent to the proposed amendment, or (ii) Client's failure to object to the proposed amendment in writing within 60 days of notification. If Client should object to the proposed amendment in writing within the 60-day period following notification, and the Parties cannot come to an agreement as to the proposed amendment, if requested by Client Adviser will continue to provide Services pursuant to this Agreement (un-amended) for a reasonable period (not to exceed 60 additional days) to allow Client to engage

a new investment advisor for the Plan.

- (d) Each person executing this Agreement on behalf of a Party represents and warrants that he/she is authorized, without the need of further approval or consent from any other person or entity, to execute this Agreement, and that upon execution of this Agreement it will constitute a valid and binding obligation of a Party.
- (e) In the event any provision of this Agreement is found to be invalid, illegal, or unenforceable, the validity, legality, and enforceability of the remaining provisions and applications of this Agreement shall not in any way be affected or impaired thereby.
- (f) Adviser, its officers, employees, and agents, may advise or take the same or similar positions in specific investments for their own accounts, or for the accounts of other clients, as the Adviser advises or takes with respect to the Investments of the Plan. Client expressly acknowledges and understands that Adviser shall be free to render the Services to others and Adviser does not make its services available exclusively to Client or the Plan. Nothing in this Agreement shall impose upon Adviser any obligation to recommend (or select, as the case may be) for the Plan's purchase or sale any security which Adviser, its principals, affiliates or employees, may purchase or sell for their own accounts or for the account of any other client.

15. Adviser's Services and Fees – Specific Selections

- (a) **Selection of/Authority over Plan Investments:** Subject to the investment policy for the Plan:
- X ***Non-Discretionary Advice (Consulting) Only.*** Adviser shall furnish Client with non-discretionary advice only, and Client shall retain the ultimate responsibility and authority for all decisions to purchase, hold or sell Investments for the Plan. If this option is selected, Client may accept or deviate from Adviser's recommendations, and Adviser will be a "fiduciary" to the Plan to the extent its Services are of the type described in ERISA Section 3(21)(A)(ii).

In addition, by choosing this option and executing this Agreement, Client represents and warrants that the custody agreement(s) in force for the Plan during the entire term of this Agreement shall not provide that Adviser will have any authority to withdraw funds or securities upon Adviser's instruction to the Qualified Custodian(s), or to transfer funds or securities to a custodial account other than an account in the Plan's name. Client further acknowledges and affirms that, while Adviser may furnish Client with a list of possible candidates that are Qualified Custodians for Client's consideration (upon Client's request for such a list), Adviser shall not recommend, request or require the use of a particular Qualified Custodian for the Plan.

- (b) **Additional Excluded Assets, If Any.** In addition to the Excluded Assets set forth in Section 2 of this Agreement (employer stock, Non-Investment Assets and assets not identified or known to Adviser), Client has (or may) cause(d) the Plan to purchase or hold the following types of assets, which shall also be treated as Excluded Assets under this Agreement:

- (c) **Brokerage.** Adviser shall have the authority to select the brokers through which orders will be placed, provided, however, that Adviser shall effect all purchases and sales of securities through such brokers as, in the Adviser's best judgment, offer best execution of each transaction. Without limiting the generality of the foregoing, Adviser shall endeavor, in Adviser's best judgment, to ensure that all securities transactions are executed in such a manner that the total explicit and implicit costs and total proceeds in every transaction are the most favorable under the circumstances prevailing at that time. Adviser may effect, subject to Section 28(e) of the Securities Exchange Act of 1934, as amended, securities transactions that cause the Plan to pay

a commission in excess of the amount of commission another broker or dealer would have charged, provided that the Adviser determines in good faith that such amount of commission is reasonable in relation to the value of brokerage and research services provided by the broker or dealer to Adviser, viewed in terms of either the specific transaction or the Adviser's overall responsibilities to the accounts for which the Adviser has investment responsibility. For this purpose, "research services" shall mean only products or services which provide lawful and appropriate assistance to Adviser's investment decision-making process.

(d) **Adviser's Fees:** For all of its Services, the Fees that Adviser will receive under Section 6 of this Agreement shall be calculated and paid as follows:

X **Annual Retainer Fee.** Adviser shall receive an annual retainer fee of \$65,000, which shall be billed and payable quarterly in arrears. This amount shall be fixed for the duration of this agreement.

16. Insurance

Prior to beginning any work, the Adviser shall obtain the following insurance coverage from an insurance company registered and licensed to do business in the State of Vermont and having an A.M. Best insurance rating of at least A-, financial size category VII or greater (www.ambest.com). The certificate of insurance coverage shall be documented on forms acceptable to the City. Compliance with minimum limits and coverage, evidenced by a certificate of insurance showing policies and carriers that are acceptable to the City, must be received prior to the Effective Date of the Agreement. The insurance policies shall provide that insurance coverage cannot be canceled or revised without thirty (30) days prior notice to the City. If this Agreement extends to more than one year, evidence of continuing coverage must be submitted to the City on an annual basis. Copies of any insurance policies may be required. Each policy (with the exception of professional liability and worker's compensation) shall name the City as an additional insured for the possible liabilities resulting from the Adviser's actions or omissions. The liability insurance furnished by the Adviser is primary and non-contributory for all the additional insured.

The Adviser is responsible to verify and confirm in writing to the City that: (i) all sub-Advisers must comply with the same insurance requirements as the Adviser; (ii) all coverage shall include adequate protection for activities involving hazardous materials; and (iii) all work activities related to the Agreement shall meet minimum coverage and limits.

No warranty is made that the coverage and limits listed herein are adequate to cover and protect the interests of the Adviser for the Adviser's operations. These are solely minimums that have been developed and must be met to protect the interests of the City.

A. **General Liability And Property Damage:** With respect to all operations performed by the Adviser, agents or workers, it is the Adviser's responsibility to ensure that general liability insurance coverage, on an occurrence form, provides all major divisions of coverage including, but not limited to:

1. Premises Operations
2. Independent Contractors'/Advisers' Protective
3. Products and Completed Operations
4. Personal Injury Liability
5. Medical Expenses

Coverage limits shall not be less than:

- | | | |
|----|-------------------------------|--------------|
| 1. | General Aggregate | \$10,000,000 |
| 2. | Products-Completed/Operations | \$2,000,000 |
| 3. | Personal & Advertising Injury | \$1,000,000 |
| 4. | Each Occurrence | \$1,000,000 |
| 5. | Damage to Rented Premises | \$ 250,000 |
| 6. | Med. Expense (Any one person) | \$ 5,000 |

B. Professional Liability Insurance:

1. General: The Adviser shall carry appropriate professional liability insurance covering errors and omissions made during their performance of contractual duties with the following minimum limits:
 - (a) \$10,000,000 - Annual Aggregate
 - (b) \$5,000,000 - Per Occurrence
2. Deductibles: The Adviser is responsible for any and all deductibles.
3. Coverage: Prior to performing any work, the Adviser shall provide evidence of professional liability insurance coverage defined under this section. In addition, the Adviser shall maintain continuous professional liability coverage for the period of the Agreement and for a period of five years following substantial completion of construction.

C. Umbrella Liability:

1. \$3,000,000 Each Event Limit
2. \$3,000,000 General Aggregate Limit

17. Conflict of Interest

The Adviser shall disclose in writing to the City any actual or potential conflicts of interest or any appearance of a conflict of interest by the Adviser, its employees or agents, if any.

18. Personnel Requirements and Conditions

In connection with the Agreement, the Adviser shall employ only qualified personnel with appropriate and valid licensure, to the extent a license is required for the work performed. The City shall have the right to approve or disapprove key personnel assigned to administer activities related to the Agreement.

Except with the approval of the City, during the period of this Agreement, the Adviser shall not employ in any context 1) any City employee who is directly involved with the awarding, administration, monitoring, or performance of the Agreement, or 2) any such employee within one (1) year of termination of employment with the City.

The Adviser warrants that no company or person, other than a bona fide employee working solely for the Adviser, has been retained to solicit or secure this Agreement or will be paid any fee, commission, gift, or other consideration related to the award or making of this Agreement. For breach or violation of this warranty, the City shall have the right to annul the Agreement, without liability to the City, and to regain all costs incurred by the City in the performance of the Agreement.

The City reserves the right to require the Adviser to remove any employee from work related to the Agreement for any cause as determined by the City, including but not limited to negligence, incompetence, or failure to follow requirements of the Agreement.

19. Performance

Adviser warrants that performance of Work will conform to the requirements of this Agreement. Adviser shall use that degree of ordinary care and reasonable diligence of any professional standards applicable to the Work, but also that an experienced and qualified provider of similar services would use acting in like circumstances and experience in such matters and in

accordance with the standards, practices and procedures established by Adviser for its own business.

- A. **Responsibility for Supervision:** The Adviser shall be responsible to the City for all acts or omissions of its employees and any other person performing work under this Agreement.
- B. **Inspection of Work:** The City shall, at all times, have access to the Adviser's work for the purposes of inspection, accounting, and auditing, and the Adviser shall provide whatever access is considered necessary to accomplish such inspections.
- C. **Public Relations:** The Adviser will endeavor to maintain good relations with the public and any affected property owners. Personnel employed by or representing the Adviser shall conduct themselves with propriety.
- D. **Acknowledgements.** Acknowledgment of the City's support must be included in any and all publications, renderings and project publicity, including audio/visual materials developed under this Agreement.

20. Appearances:

- A. Hearings and Conferences: The Adviser shall provide services required by the City and necessary for furtherance of any work covered under the Agreement. These services shall include appropriate representation at design conferences, public gatherings and hearings, and appearances before any legislative body, commission, board, or court, to justify, explain and defend its contractual services covered under the Agreement.

The Adviser shall perform any liaison that the City deems necessary for the furtherance of the work and participate in conferences with the City, at any reasonable time, concerning interpretation and evaluation of all aspects covered under the Agreement.

The Adviser further agrees to participate in meetings with the City and any other interested or affected participant, for the purpose of review or resolution of any conflicts pertaining to the Agreement.

The Adviser shall be equitably paid for such services and for any reasonable expenses incurred in relation thereto in accordance with the Agreement.

- B. Appearance as Witness: If and when required by the City, the Adviser, or an appropriate representative, shall prepare and appear for any litigation concerning any relevant project or related contract, on behalf of the City. The Adviser shall be equitably paid, to the extent permitted by law, for such services and for any reasonable expenses incurred in relation thereto, in accordance with the Agreement.

21. Payment Procedures: The City shall pay, or cause to be paid, to the Adviser or the Adviser's legal representative payments in accordance with the Agreement. All payments will be made in reliance upon the accuracy of all representations made by the Adviser, whether in invoices, progress reports, emails, or other proof of work. When applicable, for the type of payment specified in the Agreement, the progress report shall summarize actual costs and any earned portion of fixed fee.

All invoices and correspondence shall indicate the applicable project name, project number and the Agreement number. When relevant, the invoice shall further be broken down in detail between projects.

When applicable, for the type of payment specified in the Agreement, expenses for meals and travel shall be limited to the current approved in-state rates, as determined by the State of Vermont's labor contract, and need not be receipted. All other expenses are subject to approval by the City and must be accompanied with documentation to substantiate their charges.

No approval given or payment made under the Agreement, shall be conclusive evidence of the performance of the Agreement, either wholly or in part thereof, and no payment shall be construed to be acceptance of defective work or improper materials.

The City agrees to pay the Adviser and the Adviser agrees to accept, as full compensation, for performance of all services rendered and expenses incurred, the fee specified in the Agreement.

Upon completion of all services covered under the Agreement and payment of the agreed upon fee, the Agreement with its mutual obligations shall end.

22. Duty to Inform City of Agreement Errors: If Adviser knows, or has reasonable cause to believe, that a clearly identifiable error or omission exists in the Agreement, Adviser shall immediately give the City written notice thereof. Adviser shall not cause or permit any Work to be conducted which may relate to the error or omission without first receiving written notice by the City that City representatives understand the possible error or omission and have approved of modifications to the Agreement or that Adviser may proceed without any modification being made to Agreement.

23. Non-Appropriation: The obligations of the City under this Agreement are subject to annual appropriation by the Burlington City Council. If no funds or insufficient funds are appropriated or budgeted to support continuation of payments due under this Agreement, the Agreement shall terminate automatically on the first day of the fiscal year for which funds have not been appropriated. The Parties understand and agree that the obligations of the City to make payments under this Agreement shall constitute a current expense of the City and shall not be construed to be a debt or a pledge of the credit of the City. Agreement. The decision whether or not to budget and appropriate funds during each fiscal year of the City is within the discretion of the Mayor and City Council of the City. The City shall deliver written notice to Adviser as soon as practicable of any non-appropriation, and Agreement Adviser shall not be entitled to any payment or compensation of any kind for work performed after the City has delivered written notice of non-appropriation.

24. Force Majeure: Neither Party to this Agreement shall be liable to the other for any failure or delay of performance of any obligation under this Agreement to the extent the failure or delay is caused by acts of God, public health emergencies, epidemics, acts of the public enemy, acts of superior governmental authority, weather conditions, riots, rebellion, sabotage, or any other circumstances for which it is not responsible or which is not under its control ("Force Majeure"). To assert Force Majeure, the nonperforming party must prove that a) it made all reasonable efforts to remove, eliminate, or minimize the cause of delay or damage, b) diligently pursued performance of its obligations, c) substantially fulfilled all obligations that could be fulfilled, and d) timely notified the other part of the likelihood or actual occurrence of a Force Majeure event. If any such causes for delay are of such magnitude as to prevent the complete performance of the Agreement within two (2) years of the originally scheduled completion date, either Party may by written notice request to amend or terminate the Agreement. The suspension of any obligations under this section shall not cause the term of this Lease to be extended and shall not affect any rights accrued under this Lease prior to the occurrence of the force majeure. The Party giving notice of the force majeure shall also give notice of its cessation.

25. Maintenance of Records: The Adviser agrees to maintain complete and accurate records, in a form satisfactory to the City for all time devoted directly to same by Adviser employees. The City reserves the right to audit the records of the Adviser related to any extra work or additional services. Any such services rendered shall be subject, in all other respects, to the terms of the Agreement.

26. Return of Materials: Adviser agrees that at the expiration or termination of this Agreement, it shall return to City all materials provided to it during its engagement on behalf of City unless required to retain a copy for regulatory or legal purposes.

27. Public Records: The Adviser understands that any and all records related to and acquired by the City, whether electronic, paper, or otherwise recorded, are subject to the Vermont Public Records Act and that the determination of how those records must be handled is solely within the purview of City. The Adviser shall identify all records that it considers to be trade secrets as that term is defined by subsection 317(c)(9) of the Vermont Public Records Act and shall also identify all other records it considers to be exempt under the Act. It is not sufficient to merely state generally that the record is proprietary or a trade secret or is otherwise exempt. Particular records, pages or section which are believed to be exempt must be specifically identified as such and must be separated from other records with a convincing explanation and rationale sufficient to justify each exemption from release consistent with Section 317 of Title 1 of the Vermont Statutes Annotated.

28. Records Retention and Access: The Adviser agrees to retain, in its files, and to produce to the City—within the time periods requested—all books, documents, Electronic Data Media (EDM), accounting records, and other records produced or acquired by the Adviser in the performance of this Agreement which are related to the City, at any time during this Agreement and for a period of at least three (3) years after its completion or termination. In addition, if any audit, claim, or litigation is commenced before the expiration of that three (3) year period, the records shall be retained until all related audits, claims, or litigation are resolved. The Adviser further agrees that the City shall have access to all the above information for the purpose of review and audit during the Agreement period and anytime within the aforementioned retention period. Copies of all of the above referenced information shall be provided to the City, if requested, in the format in which the records were obtained, created, or maintained, such that their original use and purpose can be achieved.

29. Additional Provisions:

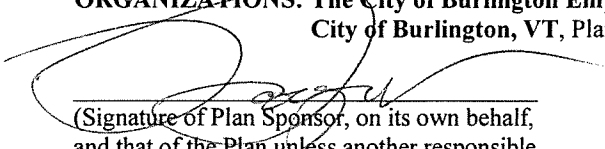
- A. Contract Disputes:** In the event of a dispute between the parties to this Agreement each party will continue to perform its obligations unless the Agreement is terminated in accordance with these terms.
- B. General Compliance with Laws:** The Adviser shall comply with all applicable Federal, State and local laws, including but not limited to the Burlington Livable Wage Ordinance, the Non-Outsourcing Ordinance, and the Union-Deterrence Ordinance and shall provide the required certifications attesting to compliance with these ordinances (see attached ordinances and certifications). Provisions of the Agreement shall be interpreted and implemented in a manner consistent with each other and using procedures that will achieve the intent of both Parties. If, for any reason, a provision in the Agreement is unenforceable or invalid, that provision shall be deemed severed from the Agreement, and the remaining provisions shall be carried out with the same force and effect as if the severed provisions had never been a part of the Agreement.
- C. Civil Rights and Equal Employment Opportunity:** During performance of the Agreement, the Adviser will not discriminate against any employee or applicant for employment because of religious affiliation, race, color, national origin, place of birth, ancestry, age, sex, sexual orientation, gender identity, marital status, veteran status, disability, HIV positive status, crime victim status, or genetic information. Adviser shall comply with any Federal, State, or local law, statute, regulation, Executive Order, or rule that applies to it or the services to be provided under this contract concerning equal employment, fair employment practices, affirmative action, or prohibitions on discrimination or harassment in employment.
- D. Tax Requirements:** By signing the Agreement, the Adviser certifies, as required by law under 32 VSA, Section 3113, that under the pains and penalties of perjury, that the Adviser is in good standing with respect to payment, or in full compliance with a plan to pay, any and all taxes due the State of Vermont as of the date of signature on the Agreement.
- E. No Gifts or Gratuities:** The Adviser shall not make any payment or gift or donation of substantial value to any elected official, officer, employee, or agent of the City during the term of this Agreement.
- F. Continuing Obligations:** The Adviser agrees that if because of death, disability, or other occurrences, it becomes impossible to effectively perform its services in compliance with the Agreement, neither the Adviser nor its surviving members shall be relieved of their obligations to complete the Agreement unless the City agrees to terminate the Agreement because it determines that the Adviser is unable to satisfactorily execute the Agreement.
- G. Interpretation & Implementation:** Provisions of the Agreement shall be interpreted and implemented in a manner consistent with each other and using procedures that will achieve the intent of both Parties.
- H. Arm's Length:** This Agreement has been negotiated at arm's length, and any ambiguity in any of its terms or provisions shall be interpreted in accordance with the intent of the Parties and not against or in favor of either the City or Adviser.

- I. Relationship:** The Adviser is an independent contractor and shall act in an independent capacity and not as officers or employees of the City. To that end, the Adviser shall determine the method, details, and means of performing the work, but will comply with all legal requirements in doing so. The Adviser shall provide its own tools, materials, or equipment. The Parties agree that neither the Adviser nor its principal(s) or employees are entitled to any employee benefits from the City. Adviser understands and agrees that it and its principal(s) or employees have no right to claim any benefits under the Burlington Employee Retirement System, the City's worker's compensation benefits, health insurance, dental insurance, life insurance, or any other employee benefit plan offered by the City. The Adviser agrees to execute any certifications or other documents and provide any certificates of insurance required by the City and understands that this Agreement is conditioned on its doing so, if requested. The Adviser understands and agrees that it is responsible for the payment of all taxes on the above sums and that the City will not withhold or pay for Social Security, Medicare, or other taxes or benefits or be responsible for any unemployment benefits.
- J. Binding Effect and Continuity:** This Agreement shall be binding upon and shall inure to the benefit of the Parties, their' respective heirs, successors, representatives, and assigns. If a dispute arises between the Parties, each Party will continue to perform its obligations under this Agreement during the resolution of the dispute, until the Agreement is terminated in accordance with its terms.
- K. Entire Contract & Agreement:** This Agreement constitutes the entire Agreement, and understanding of the Parties with respect to the subject matter of this Agreement. Prior or contemporaneous additions, deletions, or other changes to this Agreement shall not have any force or effect whatsoever, unless embodied herein.
- L. No Third Party Beneficiaries:** This Agreement does not and is not intended to confer any rights or remedies upon any person or entity other than the Parties. Enforcement of this Agreement and all rights and obligations hereunder are reserved solely to the Parties. Any services or benefits which third parties receive as a result of this Agreement are incidental to this Agreement, and do not create any rights for such third parties.
- M. Waiver:** A Party's failure or delay in exercising any right, power, or privilege under this Agreement, whether explicit or by lack of enforcement, shall not operate as a waiver, nor shall any single or partial exercise of any right, power, or privilege preclude any other or further exercise of such right, power, or privilege.

Initial here if DiMeo Schneider & Associates, L.L.C. is NOT permitted to use Client/Plan name and/or logo on a Representative Client List. _____

Effective as of _____ day of _____, 20____

ORGANIZATIONS: The City of Burlington Employees' Retirement System, Client
City of Burlington, VT, Plan Sponsor


(Signature of Plan Sponsor, on its own behalf,
and that of the Plan unless another responsible
plan fiduciary shall act on behalf of the Plan)

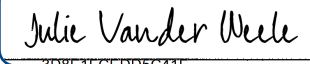
Name: Robert Hooper
Title: Chair, Burlington Employees Retirement System
Address: Burlington City Attorney's Office, City Hall
149 Church Street
Burlington, VT 05401

(Signature of Plan Committee or other responsible
plan fiduciary – only required if different than
Plan Sponsor)

(Name of Plan Committee or other responsible plan fiduciary)

4/15/2021

Agreed and accepted this ____ day of 2021:
DiMeo Schneider & Associates, L.L.C.

DocuSigned by:

By: _____
Title: Chief Operating Officer

Appendix I – Adviser’s Services

- ☐ **Fiduciary Governance Calendar**
 - Adviser will assist in the creation and implementation of a Fiduciary Governance process or review the oversight process that has already been established. Adviser will provide information and education on various topics and documentation will be distributed and if the Client elects can be stored in a secure fiduciary Lockbox online portal.
- ☐ **Develop/Review an Investment Policy Statement**
 - Adviser will assist in the development and/or review of an investment policy statement. Adviser will analyze the particular circumstances of Client’s Account (return objectives, risk tolerance, liquidity needs, cash flows including plan liabilities, investment constraints, etc.) and render advice based on the information the Client provides to Adviser.
- ☐ **Asset Allocation Analysis**
 - Adviser will assist in the development of an asset allocation analysis. Adviser will analyze the particular circumstances of Client’s Account (return objectives, risk tolerance, liquidity needs, cash flows including plan liabilities, investment constraints, etc.) and render advice based on the information the Client provides to Adviser.
- ☐ **Independent Manager Search, Review and Recommendation**
 - Adviser will identify and present investment management candidates for your consideration. The information that Adviser utilizes in evaluation of such candidates is sourced both from commercially available databases and Adviser’s own proprietary tools and efforts.
- ☐ **Investment Performance Measurement, Analysis and Reporting**
 - Adviser will analyze the results of Client’s composite Account and the individual investment manager(s) on a quarterly basis. Adviser’s reviews include a variety of statistical information that Adviser deems relevant to the evaluation of Client’s Account results including, but not necessarily limited to, portfolio balances, cash flows, market and individual investment manager rates of return. The primary source of information for these efforts is Client’s Account’s custody statements.
- ☐ **Portfolio Diagnostic Review**
 - Adviser will undertake a thorough review of Client’s Accounts current structure and analyze its investment policy statement (or assist in the development of one should none exist), Client’s current allocation of assets and investment manager(s), and the historical performance of Client’s total Account and individual investment manager(s). Adviser will identify areas in need of attention and make recommendations as required.
- ☒ **Full Retainer Service (six services identified above)**
- ☐ **Vendor Search and Analysis (additional costs may apply)**
 - ☐ Custodian Bank
 - ☐ Defined Benefit Administration Services
 - ☐ Actuarial Services
 - ☐ Bundled Plan (defined benefit & defined contribution)
 - ☐ Defined Contribution
- ☐ **Other Service (identify)** _____

Appendix II – Plan Contacts

Notwithstanding Section 4 or any other provision of the Agreement, Client hereby identifies the following Contact(s) (by name, address and/or other contact information) and authorizes Adviser to share information concerning the Plan and the Plan's investments with such Contact(s) upon each identified Contact's request. Client understands and acknowledges that Adviser may rely conclusively upon this authorization until otherwise instructed by Client in writing.

Plan's Accountant(s):

Plan's Attorney(s):

Other Authorized Contact(s):

Other Authorized Contact(s):



Budget Worksheet Report

Budget Year 2025

Account	Account Description	2025 Department Requested	2024 Amended Budget	2023 Actual Amount	2022 Actual Amount	2021 Actual Amount			
Fund 125 - Retirement									
REVENUE									
Department 08 - Human Resources									
Division 000 - Admin									
Intergovernmental Revenues									
4825_160	Interdepartmental Administrative Fees	.00	.00	.00	.00	162,613.99			
Intergovernmental Revenues Totals		\$0.00	\$0.00	\$0.00	\$0.00	\$162,613.99			
Division 000 - Admin Totals		\$0.00	\$0.00	\$0.00	\$0.00	\$162,613.99			
Division 036 - Retirement									
Intergovernmental Revenues									
4825_155	Interdepartmental Interest on Pooled Cash	491.00	.00	224.28	172.13	.00			
4900_100	Participant Charges Enterprise - Airport (B)	346,014.00	307,241.00	237,931.00	263,244.00	248,981.00			
4900_101	Participant Charges ARPA	.00	.00	32,501.00	6,750.00	16,293.00			
4900_103	Participant Charges Water Resources	386,946.00	289,607.00	300,008.00	285,829.00	259,263.00			
4900_105	Participant Charges Capital	.00	.00	121,795.83	122,338.74	112,436.75			
4900_106	Participant Charges General Fund Fund B	2,266,850.00	2,007,656.00	1,670,286.64	1,493,291.66	1,335,601.01			
4900_107	Participant Charges Liability Ins. & Workers Comp	.00	.00	.00	.00	308,869.00			
4900_108	Participant Charges Retire - BED	1,767,543.00	1,688,464.00	1,530,804.00	1,436,776.66	1,234,416.92			
4900_109	Participant Charges School - Retire	1,128,153.00	999,560.00	1,102,512.00	1,119,076.56	1,074,750.00			
4900_110	Participant Charges G.F. Fica	1,175,000.00	1,175,000.00	1,880,129.06	1,689,845.34	1,529,732.76			
4900_120	Participant Charges General Fund Retire (A)	6,832,782.00	6,074,829.00	6,011,502.00	5,966,160.00	5,517,106.35			
4900_200	Participant Charges SR Traffic - Retire	130,576.00	125,907.00	216,349.00	107,174.00	102,893.00			
4900_201	Participant Charges SR CEDO - Retire	195,045.00	152,296.00	.00	.00	.00			
4900_202	Participant Charges SR Marketplace - Retire	41,246.00	35,058.00	31,004.00	21,075.78	26,252.00			
Intergovernmental Revenues Totals		\$14,270,646.00	\$12,855,618.00	\$13,135,046.81	\$12,511,733.87	\$11,766,594.79			
Investment Income									
4700	Interest / Investment Income	2,000,000.00	.00	1,966,749.91	1,295,545.17	1,700,292.01			
Investment Income Totals		\$2,000,000.00	\$0.00	\$1,966,749.91	\$1,295,545.17	\$1,700,292.01			
Other Revenue									
4750	Gain/Loss On Asset	.00	.00	5,368,592.55	18,338,151.72	10,071,025.10			
4930_100	Employee Contributions Retirement (B)	996,581.00	906,817.00	1,103,003.87	1,041,993.28	821,127.41			
4930_105	Employee Contributions Retirement (A)	2,410,671.00	2,343,847.00	1,636,700.72	1,618,688.57	1,503,930.89			
4930_107	Employee Contributions Retirement Special Rev. Funds	500,472.00	487,793.00	239,387.42	266,433.76	265,999.32			
4930_108	Employee Contributions Retirement BED	558,252.00	513,252.00	519,679.67	527,137.37	464,937.28			



Budget Worksheet Report

Budget Year 2025

Account	Account Description	2025 Department Requested	2024 Amended Budget	2023 Actual Amount	2022 Actual Amount	2021 Actual Amount			
4930_109	Employee Contributions Retirement School	551,510.00	436,116.00	552,973.53	477,630.06	466,351.41			
	Other Revenue Totals	\$5,017,486.00	\$4,687,825.00	\$9,420,337.76	\$22,270,034.76	\$13,593,371.41			
	Miscellaneous								
4535	Misc Rev	.00	.00	24,094.49	25,398.35	.00			
4705	Unrealized Gain/Loss-Invest	.00	.00	14,087,843.30	(52,007,385.23)	48,476,485.38			
	Miscellaneous Totals	\$0.00	\$0.00	\$14,111,937.79	(\$51,981,986.88)	\$48,476,485.38			
	Division 036 - Retirement Totals	\$21,288,132.00	\$17,543,443.00	\$38,634,072.27	(\$15,904,673.08)	\$75,536,743.59			
	Department 08 - Human Resources Totals	\$21,288,132.00	\$17,543,443.00	\$38,634,072.27	(\$15,904,673.08)	\$75,699,357.58			
	REVENUE TOTALS	\$21,288,132.00	\$17,543,443.00	\$38,634,072.27	(\$15,904,673.08)	\$75,699,357.58			
EXPENSE									
	Department 08 - Human Resources								
	Division 000 - Admin								
	Personnel Services								
5000_100	Salaries and Wages Regular, Full Time	65,599.00	63,282.00	27,547.72	80,215.81	69,521.50			
5100	Overtime	3,732.00	.00	1,906.77	4,446.81	3,510.99			
5200_115	Other Personnel Services Other Compensation	740.00	.00	512.78	838.08	264.65			
5200_116	Other Personnel Services Longevity Pay	403.00	365.00	182.50	365.00	365.00			
5200_120	Other Personnel Services Shift Differential	.00	.00	.08	.07	2.77			
5200_130	Other Personnel Services Allowance Taxable	300.00	.00	.00	212.50	.00			
5400_100	Employee Benefits FICA	5,414.00	4,869.00	2,208.27	6,225.34	5,334.71			
5400_115	Employee Benefits Retirement B	6,406.00	5,176.00	8,543.00	6,750.00	900.00			
5400_120	Employee Benefits Workers Compensation	940.00	739.00	92,961.00	.00	863.20			
5400_125	Employee Benefits Health Insurance	7,676.00	6,932.00	10,553.00	9,448.00	8,414.00			
5400_130	Employee Benefits Dental Insurance	339.00	319.00	479.00	509.49	458.00			
5400_135	Employee Benefits Life Insurance	120.00	123.00	202.00	183.00	225.00			
5400_140	Employee Benefits Accrued Vac/Sick/Comp	.00	.00	.00	.00	(1,124.81)			
	Personnel Services Totals	\$91,669.00	\$81,805.00	\$145,096.12	\$109,194.10	\$88,735.01			
	General Operating								
6000	Office Supplies	.00	.00	.00	(449.41)	.00			
6005	Postage	20.00	.00	.00	.00	179.69			
6020	Office Equipment	.00	4,000.00	3,943.93	.00	.00			
6200	Medical Fees And Supplies	.00	.00	.00	500.00	.00			
6202	Printing/Copying/Paper Mgt	696.00	500.00	379.35	195.00	180.00			



Budget Worksheet Report

Budget Year 2025

Account	Account Description	2025 Department Requested	2024 Amended Budget	2023 Actual Amount	2022 Actual Amount	2021 Actual Amount			
6400_127	Utilities Cellular Communications	.00	.00	.00	.00	182.74			
6500_100	Professional and Consultant Svs Actuary Reports/Special	200,000.00	200,000.00	205,045.00	9,320.00	201,946.34			
6500_106	Professional and Consultant Svs City Attorney	.00	.00	.00	.00	67.62			
6500_112	Professional and Consultant Svs Audits - Melanson	35,000.00	35,000.00	25,300.00	25,000.00	50,000.00			
6500_118	Professional and Consultant Svs Contractual Services	.00	3,000.00	2,962.49	4,137.51	185,250.00			
6500_172	Professional and Consultant Svs Fiducient	70,000.00	50,000.00	67,452.12	112,115.50	16,250.00			
6500_173	Professional and Consultant Svs Service Center	175,000.00	150,000.00	168,260.22	544,407.82	.00			
7010	Depreciation Expense	.00	.00	184,884.37	50,100.00	50,100.00			
7200_115	Capital Leases Equipment	19,130.00	51,207.00	(645.78)	.00	.00			
7230_105	Insurance General	39,830.00	125,408.00	6,592.00	16,604.00	2,477.00			
7230_115	Insurance Claims and Expenses	1,713.00	48,193.00	1,624.00	4,487.00	1,060.00			
7250	Capital Lease Interest	227.00	1,268.00	2,982.85	4,810.72	6,555.85			
General Operating Totals		\$541,616.00	\$668,576.00	\$668,780.55	\$771,228.14	\$514,249.24			
Interfund									
8015	Indirect Fees	31,028.00	39,745.00	27,615.00	45,092.00	78,539.00			
8017	Indirect Fees - City Attorney	36,138.00	32,428.00	35,329.00	26,844.00	27,010.00			
Interfund Totals		\$67,166.00	\$72,173.00	\$62,944.00	\$71,936.00	\$105,549.00			
Division 000 - Admin Totals		\$700,451.00	\$822,554.00	\$876,820.67	\$952,358.24	\$708,533.25			
Division 036 - Retirement									
Personnel Services									
5200_130	Other Personnel Services Allowance Taxable	.00	.00	.00	.00	190,000.00			
5400_100	Employee Benefits FICA	.00	.00	.00	.00	2,755.00			
5400_135	Employee Benefits Life Insurance	.00	.00	.00	.00	3,000.00			
6905	FICA Remittance	1,175,000.00	1,175,000.00	1,884,402.76	1,676,868.79	1,552,763.22			
Personnel Services Totals		\$1,175,000.00	\$1,175,000.00	\$1,884,402.76	\$1,676,868.79	\$1,748,518.22			
General Operating									
6500_110	Professional and Consultant Svs Investment Management	150,000.00	150,000.00	192,806.78	287,980.87	412,894.94			
6500_113	Professional and Consultant Svs Trust Custodian	60,000.00	60,000.00	22,893.11	4,758.05	.00			
6500_118	Professional and Consultant Svs Contractual Services	.00	25,000.00	16,827.46	20,243.18	23,200.40			
6500_123	Professional and Consultant Svs New World / Tyler	.00	.00	307.43	1,536.80	.00			
6900_100	Claims and Benefits Retirement Benefit Payments	22,700,000.00	22,300,000.00	20,370,764.64	20,218,160.35	17,988,510.78			
6900_105	Claims and Benefits Non-Benefit Retire Payments (A)	400,000.00	400,000.00	452,649.57	249,187.85	246,956.82			
6900_106	Claims and Benefits Non-Benefit Retire Payments (B)	550,000.00	550,000.00	556,540.39	160,743.78	153,351.60			



Budget Worksheet Report

Budget Year 2025

Account	Account Description	2025 Department Requested	2024 Amended Budget	2023 Actual Amount	2022 Actual Amount	2021 Actual Amount			
	General Operating Totals	\$23,860,000.00	\$23,485,000.00	\$21,612,789.38	\$20,942,610.88	\$18,824,914.54			
	Interfund								
8095	Interest On Pooled Cash	30,000.00	30,000.00	30,623.40	33,607.42	70,630.47			
	Interfund Totals	\$30,000.00	\$30,000.00	\$30,623.40	\$33,607.42	\$70,630.47			
	Division 036 - Retirement Totals	\$25,065,000.00	\$24,690,000.00	\$23,527,815.54	\$22,653,087.09	\$20,644,063.23			
	Department 08 - Human Resources Totals	\$25,765,451.00	\$25,512,554.00	\$24,404,636.21	\$23,605,445.33	\$21,352,596.48			
	EXPENSE TOTALS	\$25,765,451.00	\$25,512,554.00	\$24,404,636.21	\$23,605,445.33	\$21,352,596.48			
	Fund 125 - Retirement Totals								
	REVENUE TOTALS	\$21,288,132.00	\$17,543,443.00	\$38,634,072.27	(\$15,904,673.08)	\$75,699,357.58			
	EXPENSE TOTALS	\$25,765,451.00	\$25,512,554.00	\$24,404,636.21	\$23,605,445.33	\$21,352,596.48			
	Fund 125 - Retirement Totals	(\$4,477,319.00)	(\$7,969,111.00)	\$14,229,436.06	(\$39,510,118.41)	\$54,346,761.10			
	Net Grand Totals								
	REVENUE GRAND TOTALS	\$21,288,132.00	\$17,543,443.00	\$38,634,072.27	(\$15,904,673.08)	\$75,699,357.58			
	EXPENSE GRAND TOTALS	\$25,765,451.00	\$25,512,554.00	\$24,404,636.21	\$23,605,445.33	\$21,352,596.48			
	Net Grand Totals	(\$4,477,319.00)	(\$7,969,111.00)	\$14,229,436.06	(\$39,510,118.41)	\$54,346,761.10			



Expense Budget Worksheet Report

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City of Burlington Employees Retirement System

Quarterly Investment Review - Fourth Quarter 2024

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Save the Date!

2025
Investor Conference

The Westin Copley Place
Boston

September 16 - 17

New Associates – Welcome!

Jill Anderson
RFP Specialist

John Hart
Senior Consultant

Maya Basak
Consulting Analyst

Raymond Larson
Senior Performance Analyst

Alison Fitzgerald
Consulting Analyst

Kyle Rubovits
Consulting Analyst

As of December 31, 2024

Table of Contents



Section 1	Fiduciary Governance Calendar
Section 2	Capital Markets Overview
Section 3	Portfolio and Manager Review
Section 4	Fiducient's 2025 Outlook and CMAs
Section 5	Board Education Support



Fiduciary Governance Calendar



Fiduciary Governance Calendar

The fiduciary governance calendar is designed to create a disciplined framework around governance, which helps ensure that over the course of a calendar year key fiduciary obligations and responsibilities are being met.



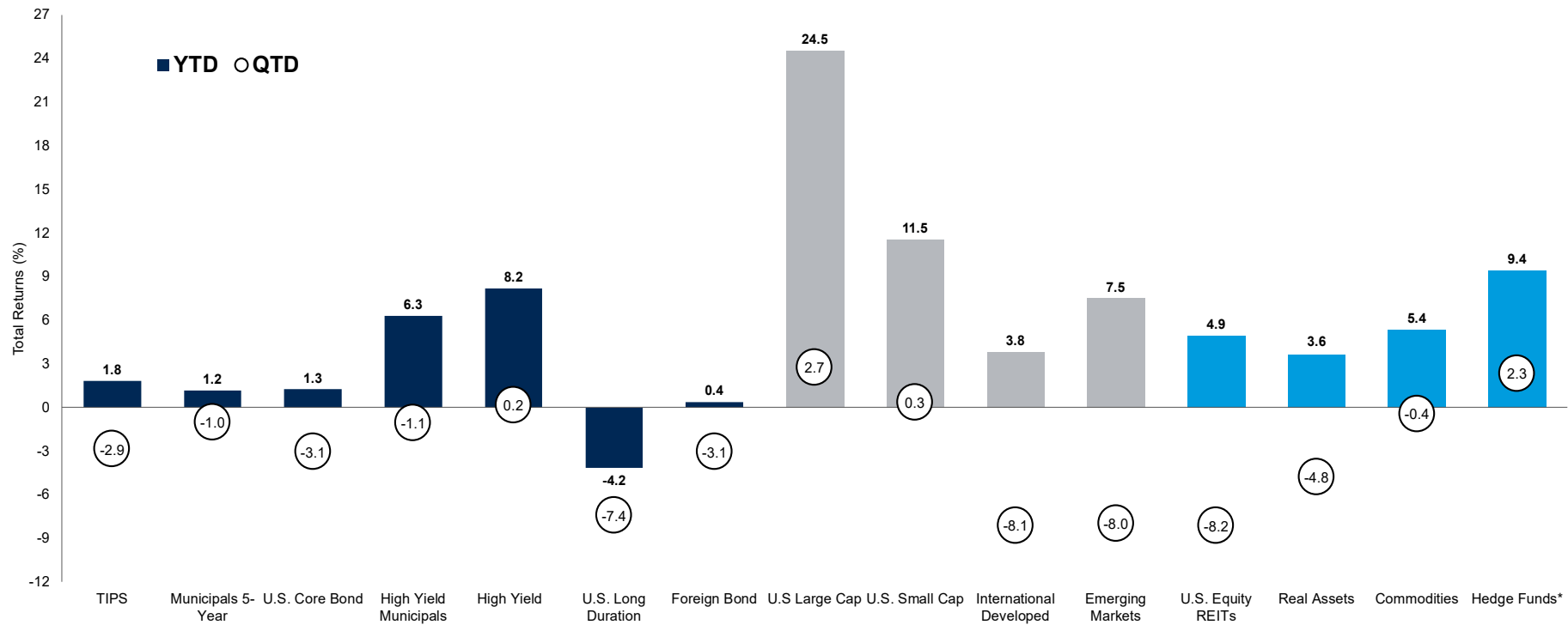
*Liquidity analysis is provided only for portfolios with marketable alternatives and/or private equity.



Capital Markets Overview



Asset Class Returns



Source: Morningstar Direct. As of December 31, 2024. *Hedge fund returns as of November 30, 2024.

Fixed Income (4Q 2024)

- Fixed income markets broadly struggled, even as the Federal Reserve cut its target rate by another 50 bps during the quarter. A resilient economy and concerns surrounding persistent inflation pushed interest rates higher.
- + High yield eked out a modest gain in the quarter and was a standout for the year. Spreads compressed modestly in the quarter as fundamentals remain solid and the asset class continues to have strong demand.
- Long duration assets struggled with the move higher in rates.

Equity (4Q 2024)

- + U.S. equities ended the year with modest positive returns in the fourth quarter despite elevated volatility. Mega cap names concentrated at the top of the market continue to dominate the asset class.
- International developed markets took a large step back in the quarter amid signs of economic weakness, geopolitical uncertainty and concerns over potential tariffs by the upcoming administration in Washington.
- Emerging markets struggled as well in the face of potential tariffs from the U.S. and weaker currencies.

Real Asset / Alternatives (4Q 2024)

- Rising interest rates were a large headwind for REITs in the fourth quarter.
- Rising energy prices were not enough to offset weakness in metals and agriculture and commodities were modestly negative in the quarter.
- + Hedge funds (reported as of November) had a strong two months to start the quarter. Heightened market volatility provided a boost to the space, offering favorable trading opportunities throughout the period.

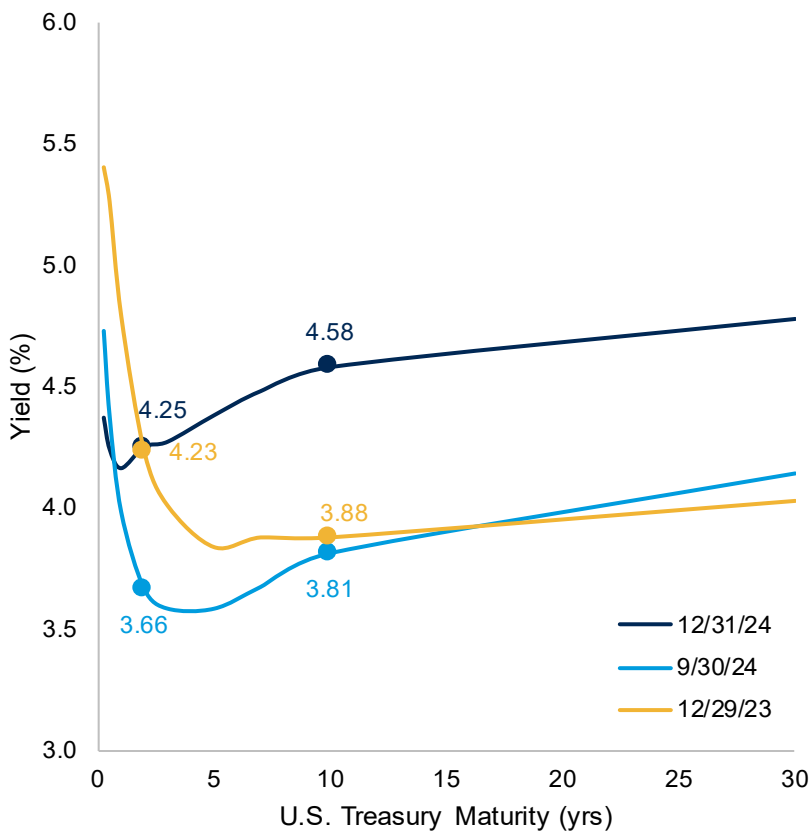
See disclosures for list of indices representing each asset class. Past performance does not indicate future performance and there is a possibility of a loss. Indices cannot be invested in directly.



Fixed Income Market Update

U.S. Treasury Yield Curve

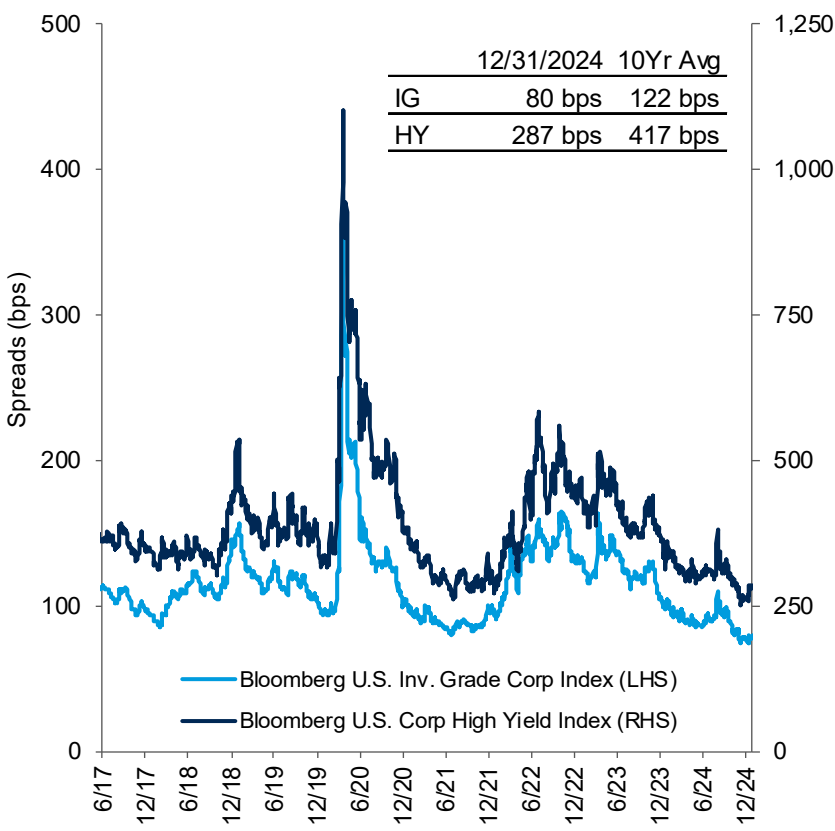
Interest rates climbed even as the Fed slashed its target rate by another 50 basis points during the quarter. Concerns about persistent inflation and uncertainty surrounding future fiscal policy have kept market tensions elevated.



Source: FactSet. As of December 31, 2024.

Corporate Credit Spreads – Trailing 5 Years

Overall risk-off posture in fixed income markets was a headwind for returns in corporate credit. However, the high yield asset class was an outperformer during the quarter, as credit spreads tightened slightly. Spreads continue to remain well below long-term averages reflecting strong fundamentals.



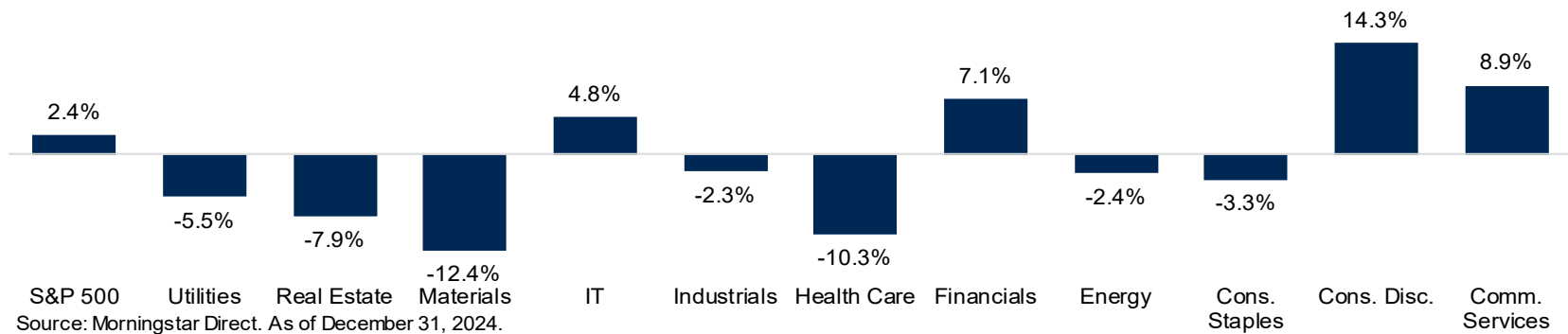
Source: FactSet. As of December 31, 2024.



Equity Market Update

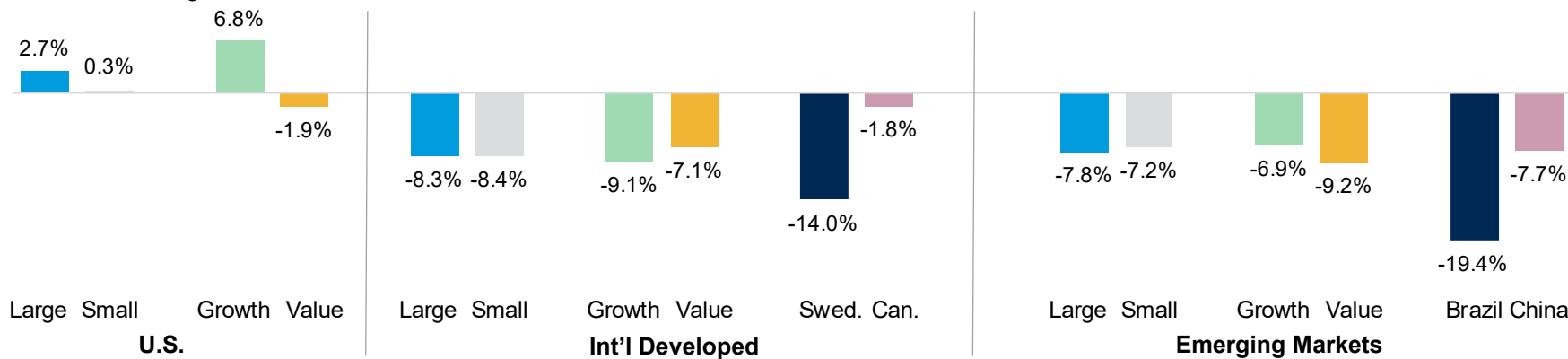
U.S. Equities – Returns by Sector (4Q 2024)

U.S. equities were modestly positive in the quarter, rounding out a strong year for U.S. large-cap stocks. The S&P 500 finished back-to-back years above 20% for the first time since 1998. Despite a positive overall return for the index for in the quarter, most underlying sectors were negative, with the concentration of select tech, consumer and communications stocks driving results. Valuations within the U.S. remain elevated both on an absolute basis and relative to other areas such as international equities.



Market Capitalization, Style, and Select Country Performance (4Q 2024)

There was a large disparity between domestic equities and non-U.S. equities during the fourth quarter. A stronger economic backdrop helped drive U.S. markets. However, worries on the impact of potential tariffs that the upcoming administration has been discussing coupled with weaker economic data abroad weighed on investor confidence for non-U.S. markets.



Source: Morningstar Direct. As of December 31, 2024.

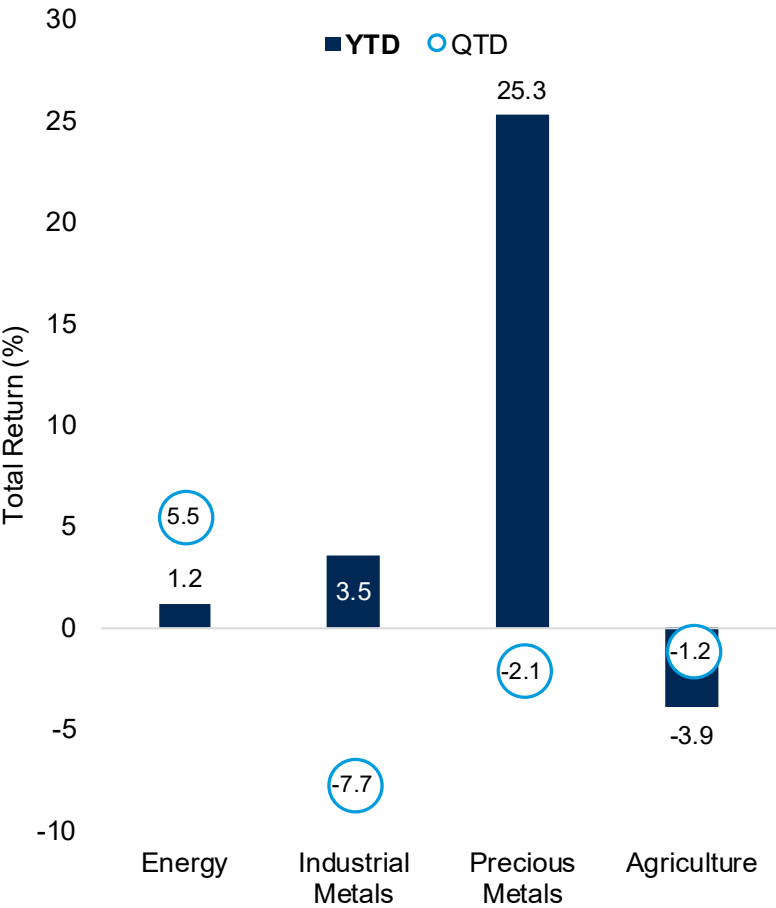
See disclosures for list of indices representing each asset class. Past performance does not indicate future performance and there is a possibility of a loss. Indices cannot be invested in directly.



Real Assets Market Update

Commodity Performance (4Q 2024)

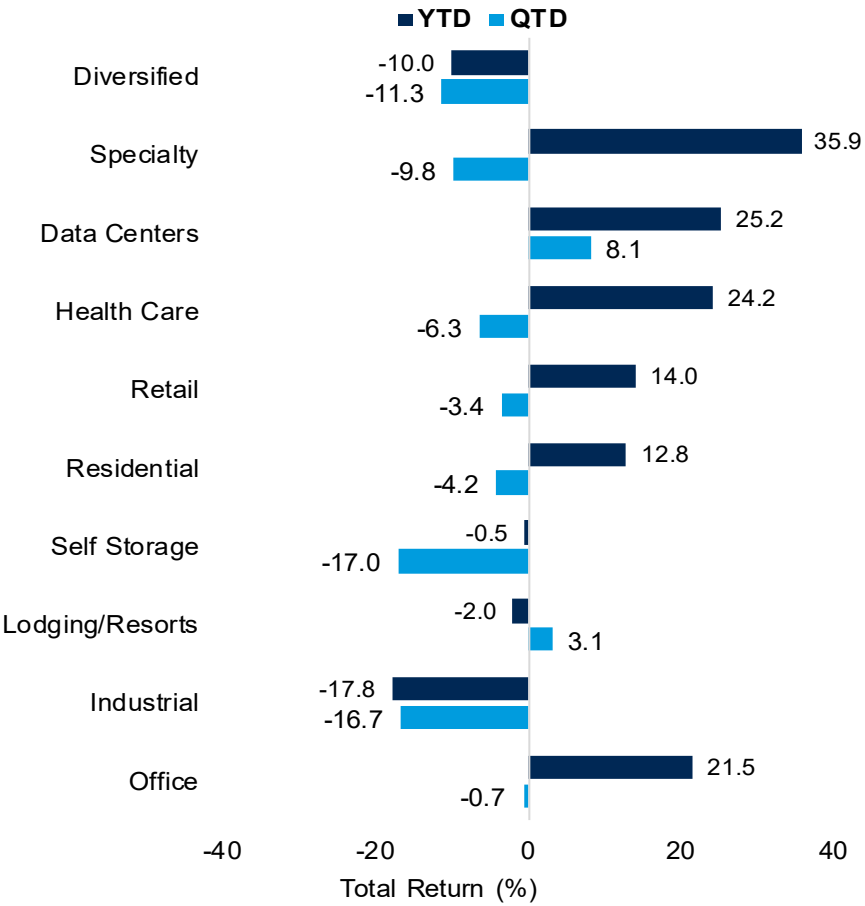
Commodities were modestly negative during the fourth quarter, with mixed results from underlying sub-sectors. Energy was the leader as oil prices moved higher on concerns over tighter supply due to escalating geopolitical tensions.



Source: Morningstar Direct. As of December 31, 2024.

REIT Sector Performance (4Q 2024)

REITs struggled in the rising interest rate environment this quarter. Data Centers continued to outperform on continued demand for data storage. Meanwhile, Industrial and Self Storage underperformed on slowing manufacturing and post-pandemic occupancy, respectively.

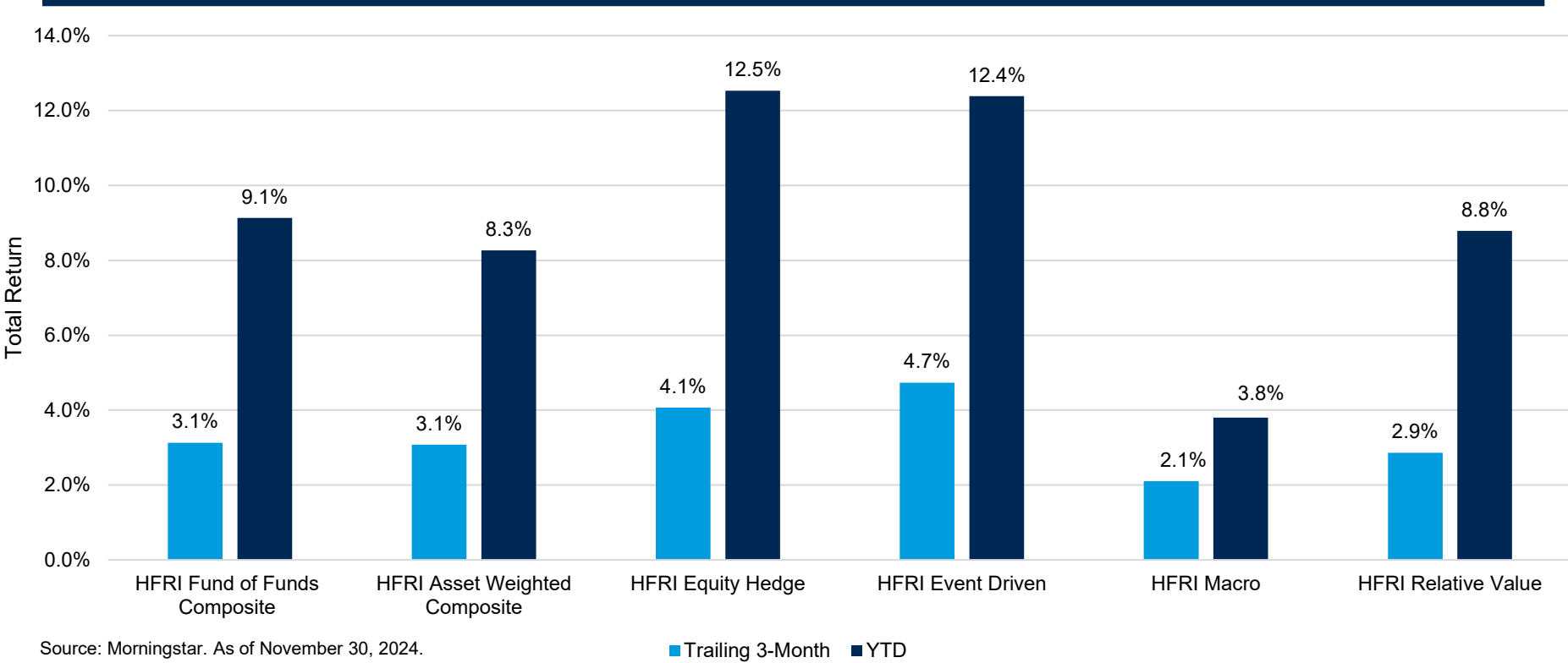


Source: Morningstar Direct. As of December 31, 2024.

See disclosures for list of indices representing each asset class. Past performance does not indicate future performance and there is a possibility of a loss. Indices cannot be invested in directly.



Marketable Alternatives



Fund of Funds / Asset Weighted

- + The HFRI Fund of Funds Composite returned 3.1 percent over the trailing 3-month period and 9.1 percent year-to-date.
- + The HFRI Asset Weighted Composite returned 3.1 percent over the trailing 3-month period and 8.3 percent year-to-date.
- +/- Marketable alternatives lagged domestic equity markets but outpaced both fixed income and international equity markets over the trailing 3-month period.

Equity Hedge / Event Driven

- + Equity Hedge strategies returned 4.1 percent over the period backed by strong equity markets.
- + Event Driven strategies returned 4.7 percent over the period with positive performance across strategy types.
- + Multi-strategy and activist strategies were notable contributors and outpaced other Event Driven strategies.

Macro / Relative Value

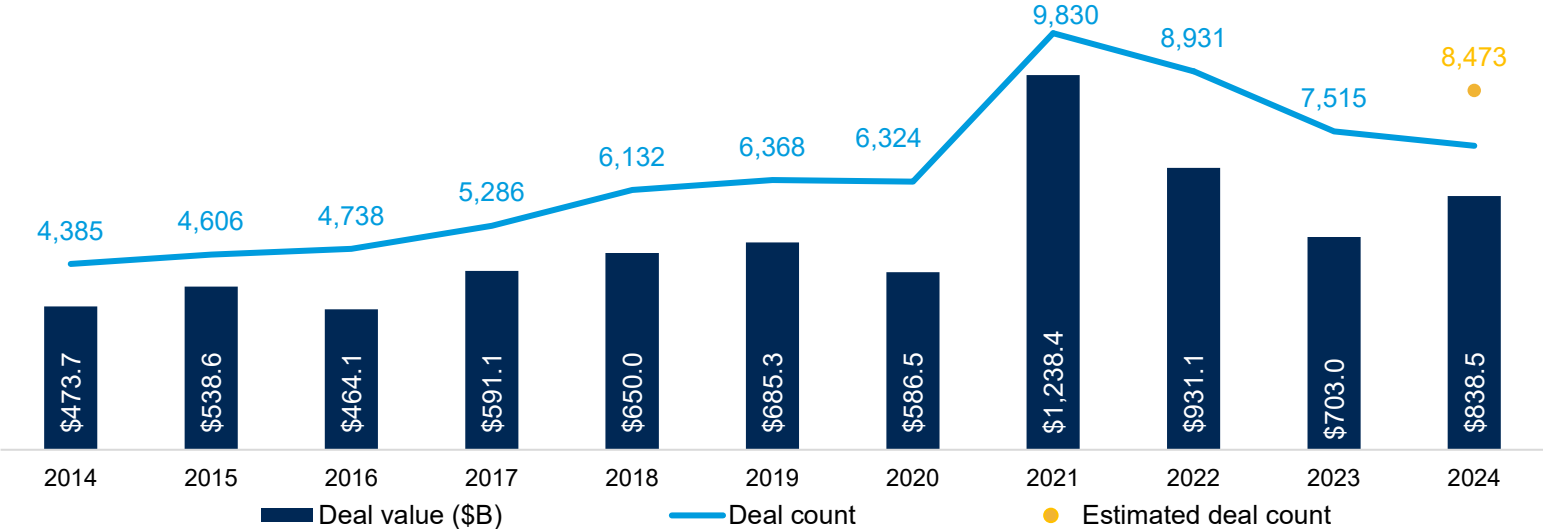
- + Macro strategies returned 2.1 percent over the period. While all strategy types generated positive performance, discretionary strategies generally outpaced their systematic peers.
- + Relative Value strategies returned 2.9 percent over the period with positive performance across strategy types.
- + Yield Alternatives strategies were notable winners within the Relative Value space, generating a return of 7.1 percent over the period.



Private Equity Market Update

U.S. Private Equity Deal Activity

U.S. Private Equity deal activity in 2024 outpaced 2023 but trailed elevated figures seen in 2021 and 2022.



Source: Pitchbook. As of December 31, 2024.

Private Equity Performance (As of June 30, 2024)

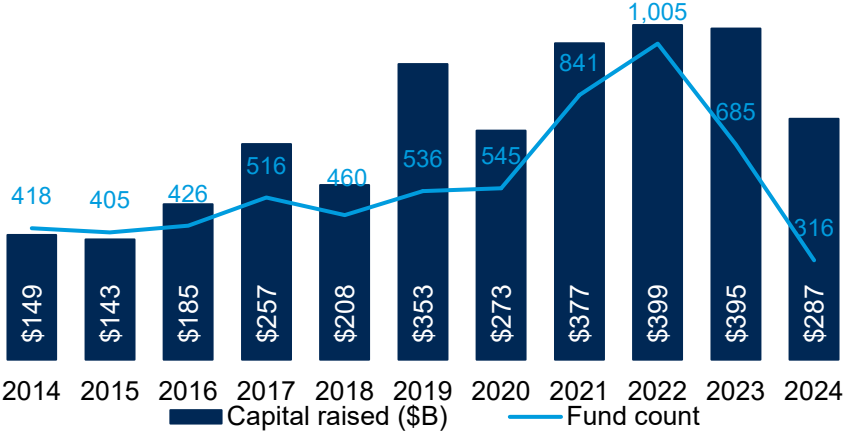
Private equity performance for buyout and growth have aligned on a year-to-date basis and remain in line on a longer time horizon. Venture has continued to lag which has impacted relative results across the mid and longer term.

Benchmark	1-YR	3-YR	5-YR	10-Y	15-Y
US Private Equity Index	7.1%	6.9%	16.4%	15.1%	16.8%
US Buyout Index	7.4%	8.5%	16.3%	14.8%	16.8%
US Growth Equity Index	6.1%	2.5%	16.6%	15.8%	16.7%
US Venture Capital Index	-0.7%	-2.7%	15.4%	14.7%	14.8%
S&P 500 Index	24.6%	10.0%	15.0%	12.9%	14.8%

Source: Cambridge Associates. As of June 30, 2024. Returns presented as horizon pooled return, net of fees. S&P 500 Index as of June 30, 2024. Indices cannot be invested in directly.

U.S. Private Equity Fundraising Activity

Overall fundraising levels were lower in 2024 compared to the past three years. Akin to 2023, fewer funds are raising more capital.



Source: Pitchbook. As of December 31, 2024.



The Case for Diversification

2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	10 Years (Ann)
U.S. Equity REITs 30.1	U.S. Equity REITs 3.2	U.S. Small Cap 21.3	Emerging Markets 37.3	High Yield Munis 4.8	U.S. Large Cap 31.5	U.S. Small Cap 20.0	U.S. Equity REITs 43.2	Commodities 16.1	U.S. Large Cap 26.5	U.S. Large Cap 24.5	U.S. Large Cap 12.9
High Yield Munis 13.8	Municipals 5-Year 2.4	High Yield 17.1	International Dev. 25.0	Municipals 5-Year 1.7	U.S. Equity REITs 26.0	U.S. Large Cap 18.4	Commodities 27.1	Municipals 5-Year -5.3	International Developed 18.2	U.S. Small Cap 11.5	U.S. Small Cap 7.8
U.S. Large Cap 13.7	High Yield Munis 1.8	U.S. Large Cap 12.0	U.S. Large Cap 21.8	Foreign Bond 0.5	U.S. Small Cap 25.5	Emerging Markets 18.3	US Large Cap 26.5	Hedge Funds -5.6	U.S. Small Cap 16.9	Hedge Funds 9.4	U.S. Equity REITs 5.8
Core Bond 6.0	U.S. Large Cap 1.4	Commodities 11.7	EM Debt (unhedged) 15.2	Core Bond 0.0	International Dev. 22.5	TIPS 11.0	US Small Cap 14.8	High Yield -11.2	U.S. Equity REITs 13.7	High Yield 8.2	High Yield 5.2
Balanced 5.1	Core Bond 0.6	Emerging Markets 11.2	U.S. Small Cap 14.6	TIPS -1.3	Emerging Markets 18.4	Balanced 8.8	International Dev. 11.3	EM Debt (unhedged) -11.7	High Yield 13.4	Balanced 7.5	International Developed 5.2
U.S. Small Cap 4.9	Hedge Funds -0.3	EM Debt (unhedged) 9.9	Balanced 13.6	High Yield -2.1	Balanced 17.5	International Dev. 7.8	Balanced 9.8	TIPS -11.8	Balanced 12.8	Emerging Markets 7.5	Balanced 5.0
TIPS 3.6	International Dev. -0.8	U.S. Equity REITs 8.5	High Yield Munis 9.7	Hedge Funds -4.0	High Yield 14.3	Core Bond 7.5	High Yield Munis 7.8	U.S. Core Bond -13.0	EM Debt (unhedged) 12.7	High Yield Municipals 6.3	High Yield Municipals 4.3
Hedge Funds 3.4	TIPS -1.4	Balanced 7.6	Hedge Funds 7.8	U.S. Large Cap -4.4	EM Debt (unhedged) 13.5	Hedge Funds 7.1	TIPS 6.0	High Yield Municipals -13.1	Emerging Markets 9.8	Commodities 5.4	Hedge Funds 3.9
Municipals 5-Year 3.2	Foreign Bond -2.3	TIPS 4.7	High Yield 7.5	U.S. Equity REITs -4.6	High Yield Munis 10.7	High Yield 7.1	Hedge Funds 5.7	Foreign Bond -14.2	High Yield Municipals 9.2	U.S. Equity REITs 4.9	Emerging Markets 3.6
Foreign Bond 2.9	Balanced -3.3	Foreign Bond 3.2	Foreign Bond 6.5	Balanced -5.8	Core Bond 8.7	Foreign Bond 7.0	High Yield 5.3	International Dev. -14.5	Foreign Bond 7.0	International Developed 3.8	TIPS 2.2
High Yield 2.5	U.S. Small Cap -4.4	High Yield Munis 3.0	U.S. Equity REITs 5.2	EM Debt (unhedged) -6.2	TIPS 8.4	High Yield Munis 4.9	Municipals 5-Year 0.3	Balanced -14.9	U.S. Core Bond 5.5	TIPS 1.8	Municipals 5-Year 1.7
Emerging Markets -2.2	High Yield -4.5	Core Bond 2.6	Core Bond 3.5	U.S. Small Cap -11.0	Hedge Funds 7.8	Municipals 5-Year 4.3	Core Bond -1.5	U.S. Large Cap -19.1	Hedge Funds 4.4	U.S. Core Bond 1.3	Commodities 1.3
International Dev. -4.9	Emerging Markets -14.9	International Dev. 1.0	Municipals 5-Year 3.1	Commodities -11.2	Commodities 7.7	EM Debt (unhedged) 2.7	Emerging Markets -2.5	Emerging Markets -20.1	Municipals 5-Year 4.3	Municipals 5-Year 1.2	U.S. Core Bond 1.3
EM Debt (unhedged) -5.7	EM Debt (unhedged) -14.9	Hedge Funds 0.5	TIPS 3.0	International Dev. -13.8	Foreign Bond 6.3	Commodities -3.1	Foreign Bond -4.2	U.S. Small Cap -20.4	TIPS 3.9	Foreign Bond 0.4	Foreign Bond 0.8
Commodities -17.0	Commodities -24.7	Municipals 5-Year -0.4	Commodities 1.7	Emerging Markets -14.6	Municipals 5-Year 5.4	U.S. Equity REITs -8.0	EM Debt (unhedged) -8.7	U.S. Equity REITs -24.4	Commodities -7.9	EM Debt (unhedged) -2.4	EM Debt (unhedged) 0.4

Sources: Morningstar, FactSet. As of December 31, 2024. *Periods greater than one year are annualized. Total returns in U.S. dollars. Hedge Funds as of November 30, 2024.



Financial Markets Performance

Total Return as of December 31, 2024
Periods greater than one year are annualized
All returns are in U.S. dollar terms

Global Fixed Income Markets	QTD	YTD	1YR	3YR	5YR	7YR	10YR	15YR
Bloomberg 1-3-Month T-Bill	1.2%	5.3%	5.3%	4.0%	2.5%	2.4%	1.8%	1.2%
Bloomberg U.S. TIPS	-2.9%	1.8%	1.8%	-2.3%	1.9%	2.3%	2.2%	2.9%
Bloomberg Municipal Bond (5 Year)	-1.0%	1.2%	1.2%	0.0%	0.9%	1.7%	1.7%	2.3%
Bloomberg High Yield Municipal Bond	-1.1%	6.3%	6.3%	0.3%	2.7%	4.1%	4.3%	5.6%
Bloomberg U.S. Aggregate	-3.1%	1.3%	1.3%	-2.4%	-0.3%	1.0%	1.3%	2.4%
Bloomberg U.S. Corporate High Yield	0.2%	8.2%	8.2%	2.9%	4.2%	4.7%	5.2%	6.4%
Bloomberg Global Aggregate ex-U.S. Hedged	0.7%	5.0%	5.0%	0.9%	1.0%	2.2%	2.4%	3.2%
Bloomberg Global Aggregate ex-U.S. Unhedged	-6.8%	-4.2%	-4.2%	-6.3%	-3.4%	-2.0%	-0.9%	-0.1%
Bloomberg U.S. Long Gov / Credit	-7.4%	-4.2%	-4.2%	-9.2%	-3.3%	-0.5%	1.0%	3.8%
Global Equity Markets	QTD	YTD	1YR	3YR	5YR	7YR	10YR	15YR
S&P 500	2.4%	25.0%	25.0%	8.9%	14.5%	13.8%	13.1%	13.9%
Dow Jones Industrial Average	0.9%	15.0%	15.0%	7.6%	10.5%	10.4%	11.6%	12.4%
NASDAQ Composite	6.3%	29.6%	29.6%	8.1%	17.5%	16.8%	16.2%	16.5%
Russell 3000	2.6%	23.8%	23.8%	8.0%	13.9%	13.2%	12.5%	13.6%
Russell 1000	2.7%	24.5%	24.5%	8.4%	14.3%	13.6%	12.9%	13.8%
Russell 1000 Growth	7.1%	33.4%	33.4%	10.5%	19.0%	18.1%	16.8%	16.5%
Russell 1000 Value	-2.0%	14.4%	14.4%	5.6%	8.7%	8.4%	8.5%	10.8%
Russell Mid Cap	0.6%	15.3%	15.3%	3.8%	9.9%	9.6%	9.6%	12.1%
Russell Mid Cap Growth	8.1%	22.1%	22.1%	4.0%	11.5%	12.1%	11.5%	13.3%
Russell Mid Cap Value	-1.7%	13.1%	13.1%	3.9%	8.6%	7.7%	8.1%	11.1%
Russell 2000	0.3%	11.5%	11.5%	1.2%	7.4%	6.9%	7.8%	10.3%
Russell 2000 Growth	1.7%	15.2%	15.2%	0.2%	6.9%	7.2%	8.1%	10.9%
Russell 2000 Value	-1.1%	8.1%	8.1%	1.9%	7.3%	6.1%	7.1%	9.5%
MSCI ACWI	-1.0%	17.5%	17.5%	5.4%	10.1%	9.2%	9.2%	9.2%
MSCI ACWI ex. U.S.	-7.6%	5.5%	5.5%	0.8%	4.1%	3.5%	4.8%	4.7%
MSCI EAFE	-8.1%	3.8%	3.8%	1.6%	4.7%	4.1%	5.2%	5.2%
MSCI EAFE Growth	-9.1%	2.0%	2.0%	-2.6%	4.0%	4.5%	5.8%	6.0%
MSCI EAFE Value	-7.1%	5.7%	5.7%	5.9%	5.1%	3.4%	4.3%	4.3%
MSCI EAFE Small Cap	-8.4%	1.8%	1.8%	-3.2%	2.3%	2.0%	5.5%	6.6%
MSCI Emerging Markets	-8.0%	7.5%	7.5%	-1.9%	1.7%	1.4%	3.6%	3.0%
Alternatives	QTD	YTD	1YR	3YR	5YR	7YR	10YR	15YR
Consumer Price Index*	0.6%	2.5%	2.7%	4.3%	4.2%	3.6%	2.9%	2.5%
FTSE NAREIT All Equity REITs	-8.2%	4.9%	4.9%	-4.3%	3.3%	5.5%	5.8%	9.4%
S&P Real Assets	-4.8%	3.6%	3.6%	0.2%	3.3%	3.8%	3.7%	5.1%
FTSE EPRA NAREIT Developed	-9.5%	2.0%	2.0%	-5.1%	0.0%	2.3%	3.2%	6.1%
FTSE EPRA NAREIT Developed ex U.S.	-15.1%	-7.8%	-7.8%	-9.0%	-5.2%	-1.9%	0.4%	3.0%
Bloomberg Commodity Total Return	-0.4%	5.4%	5.4%	4.1%	6.8%	4.1%	1.3%	-1.0%
HFRI Fund of Funds Composite*	2.3%	9.4%	11.7%	3.3%	5.6%	4.5%	3.9%	3.7%
HFRI Asset Weighted Composite*	1.7%	8.3%	9.2%	4.9%	4.7%	4.2%	3.8%	4.5%

Sources: Morningstar, FactSet. As of December 31, 2024. *Consumer Price Index and HFRI indexes as of November 30, 2024.

See disclosures for list of indices representing each asset class. Past performance does not indicate future performance and there is a possibility of a loss.

Indices cannot be invested in directly.



Portfolio and Manager Review



Asset Allocation

Total Plan

As of December 31, 2024

	Asset Allocation (\$)	Asset Allocation (%)	Target Allocation (%)	Differences (%)
Total Plan	252,287,377	100.0	100.0	0.0
Prepaid Pension Benefits	-1,969,162	-0.8	0.0	-0.8
Total Invested Assets	254,256,539	100.8	100.0	0.8
Short Term Liquidity	134,851	0.1	0.0	0.1
Key Bank Cash Portfolio	133,969	0.1	0.0	0.1
First American Govt Oblig Fund Z	882	0.0	0.0	0.0
Fixed Income	68,213,595	27.0	27.0	0.0
JIC Core Bond Fund I	50,338,584	20.0	20.0	0.0
BlackRock Strategic Income Opportunities K	17,875,011	7.1	7.0	0.1
Equity	178,021,259	70.6	69.0	1.6
Domestic Equity	113,570,611	45.0	42.5	2.5
Mellon Large Cap Core	88,483,785	35.1	33.0	2.1
Mellon Smid Cap Core	25,086,825	9.9	9.5	0.4
International Equity	63,903,560	25.3	26.0	-0.7
Mellon EAFE Fund	46,009,300	18.2	19.0	-0.8
Mellon Emerging Markets	17,894,260	7.1	7.0	0.1
Private Equity	547,088	0.2	0.5	-0.3
Hamilton Lane II	881	0.0	-	-
Hamilton Lane VII A	391,261	0.2	-	-
Hamilton Lane VII B	154,946	0.1	-	-
Real Assets	7,886,834	3.1	4.0	-0.9
UBS Trumbull Property Fund	7,886,834	3.1	4.0	-0.9

Valuations data as of:

Valuations data as of:

Hamilton Lane VII - 09/30/2024

Hamilton Lane II - 09/30/2024

UBS Trumbull Property Fund - 09/30/2024

All private equity and real estate assets are adjusted for any subsequent capital activity.

Investments with a zero balance were held in the portfolio during the reporting period and will be removed once they no longer impact portfolio performance.
Asset Allocation weightings may not add up to 100% due to rounding.



Asset Allocation

Total Invested Assets

As of December 31, 2024

	Asset Allocation (\$)	Asset Allocation (%)	Target Allocation (%)	Differences (%)
Total Invested Assets	254,256,539	100.0	100.0	0.0
Short Term Liquidity	134,851	0.1	0.0	0.1
Key Bank Cash Portfolio	133,969	0.1	0.0	0.1
First American Govt Oblig Fund Z	882	0.0	0.0	0.0
Fixed Income	68,213,595	26.8	27.0	-0.2
JIC Core Bond Fund I	50,338,584	19.8	20.0	-0.2
BlackRock Strategic Income Opportunities K	17,875,011	7.0	7.0	0.0
Equity	178,021,259	70.0	69.0	1.0
Domestic Equity	113,570,611	44.7	42.5	2.2
Mellon Large Cap Core	88,483,785	34.8	33.0	1.8
Mellon Smid Cap Core	25,086,825	9.9	9.5	0.4
International Equity	63,903,560	25.1	26.0	-0.9
Mellon EAFE Fund	46,009,300	18.1	19.0	-0.9
Mellon Emerging Markets	17,894,260	7.0	7.0	0.0
Private Equity	547,088	0.2	0.5	-0.3
Hamilton Lane II	881	0.0	-	-
Hamilton Lane VII A	391,261	0.2	-	-
Hamilton Lane VII B	154,946	0.1	-	-
Real Assets	7,886,834	3.1	4.0	-0.9
UBS Trumbull Property Fund	7,886,834	3.1	4.0	-0.9

Valuations data as of:

Valuations data as of:

Hamilton Lane VII - 09/30/2024

Hamilton Lane II - 09/30/2024

UBS Trumbull Property Fund - 09/30/2024

All private equity and real estate assets are adjusted for any subsequent capital activity.

Investments with a zero balance were held in the portfolio during the reporting period and will be removed once they no longer impact portfolio performance.

Asset Allocation weightings may not add up to 100% due to rounding.

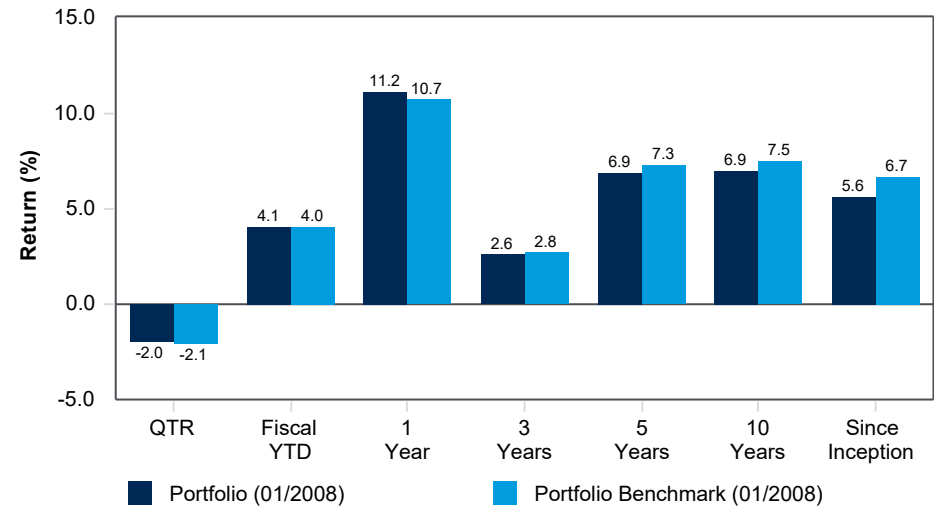


Portfolio Dashboard

Total Invested Assets

As of December 31, 2024

Historical Performance



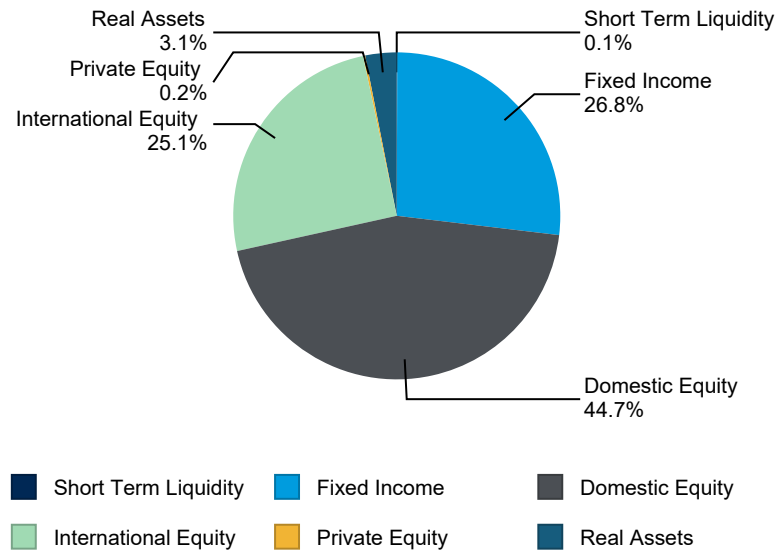
Summary of Cash Flows

	QTR	Fiscal YTD	1 Year	Since Inception
Total Invested Assets				
Beginning Market Value	259,464,230	244,261,835	233,803,380	126,047,968
Net Contributions	-	57,468	-5,415,307	-51,426,789
Gain/Loss	-5,207,691	9,937,236	25,868,466	179,635,360
Ending Market Value	254,256,539	254,256,539	254,256,539	254,256,539

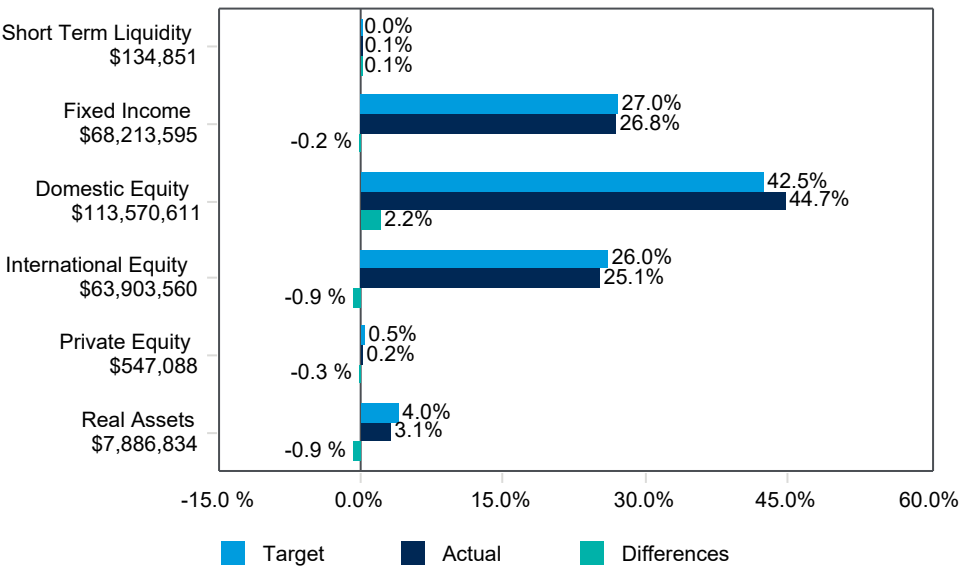
Current Benchmark Composition

From Date	To Date	
04/2024	Present	27.00% Blmbg. U.S. Aggregate, 33.50% S&P 500, 9.50% Russell 2500 Index, 19.00% MSCI EAFE (Net), 7.00% MSCI Emerging Markets (Net), 4.00% NCREIF Fund Index - ODCE (net)

Portfolio Allocation



Actual vs. Target Allocations



Client portfolio performance is presented net of underlying investment manager fees but gross of Fiducient Advisors' fees.

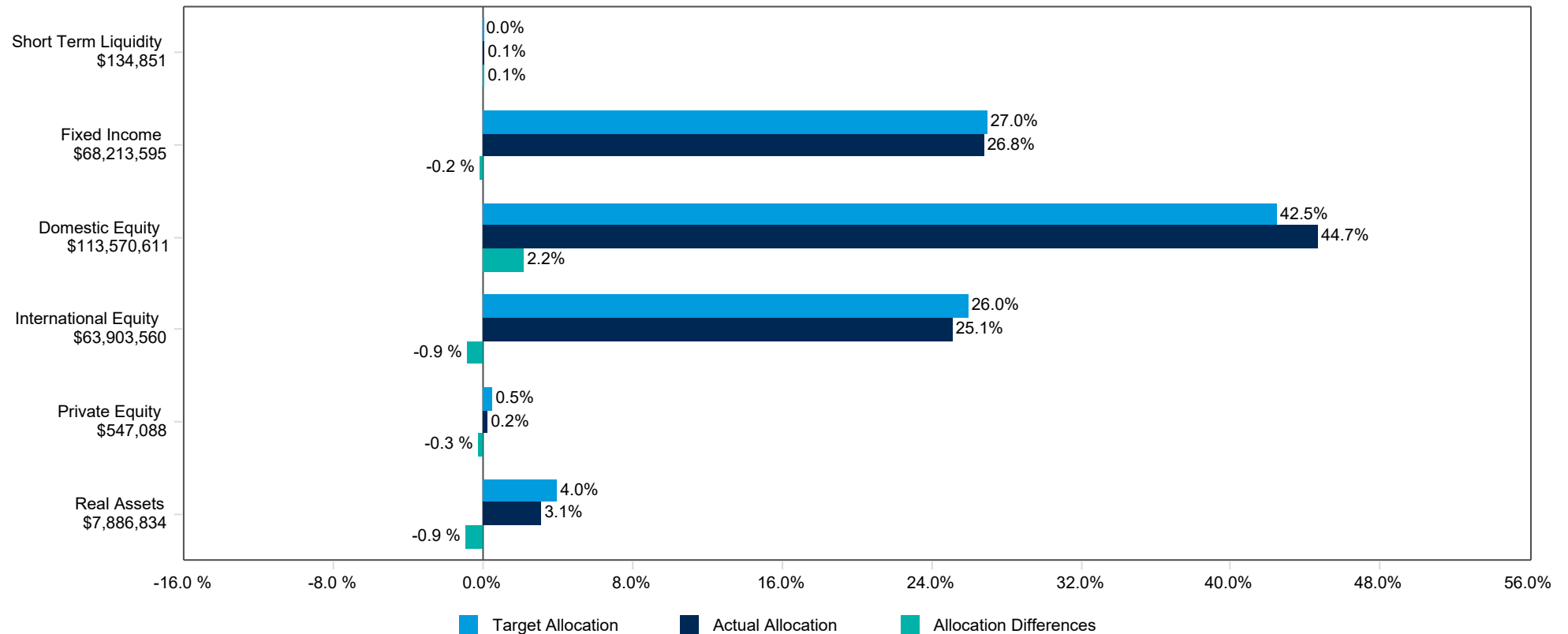


Asset Allocation

Total Invested Assets

As of December 31, 2024

Actual vs. Target



	Asset Allocation (\$)	Asset Allocation (%)	Target Allocation (%)	Differences (%)
Short Term Liquidity	134,851	0.1	0.0	0.1
Fixed Income	68,213,595	26.8	27.0	-0.2
Domestic Equity	113,570,611	44.7	42.5	2.2
International Equity	63,903,560	25.1	26.0	-0.9
Private Equity	547,088	0.2	0.5	-0.3
Real Assets	7,886,834	3.1	4.0	-0.9
Total Invested Assets	254,256,539	100.0	100.0	0.0



Performance Overview

Total Invested Assets

As of December 31, 2024

Trailing Performance Summary

	Current Quarter	Fiscal YTD	1 Year	3 Years	5 Years	7 Years	10 Years	Since Inception	Inception Date
Total Invested Assets	-2.0	4.1	11.2	2.6	6.9	6.7	6.9	5.6	01/2008
<i>Policy Benchmark</i>	<i>-2.1</i>	<i>4.0</i>	<i>10.7</i>	<i>2.8</i>	<i>7.3</i>	<i>7.2</i>	<i>7.5</i>	<i>6.7</i>	<i>01/2008</i>

Calendar Year Performance Summary

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total Invested Assets	15.0	-15.4	14.6	12.7	19.1	-5.2	17.0	8.7	-2.2	4.0
<i>Policy Benchmark</i>	<i>14.9</i>	<i>-14.7</i>	<i>14.3</i>	<i>14.5</i>	<i>20.6</i>	<i>-5.2</i>	<i>16.9</i>	<i>9.0</i>	<i>-0.2</i>	<i>7.3</i>

Plan Reconciliation

	QTR	Fiscal YTD	1 Year	3 Years	5 Years	10 Years	Since Inception	Inception Date
Total Invested Assets								01/2008
Beginning Market Value	259,464,230	244,261,835	233,803,380	256,267,482	206,539,559	158,821,638	126,047,968	
Net Contributions	-	57,468	-5,415,307	-19,172,920	-28,341,533	-43,621,628	-51,426,789	
Gain/Loss	-5,207,691	9,937,236	25,868,466	17,161,978	76,058,513	139,056,529	179,635,360	
Ending Market Value	254,256,539	254,256,539	254,256,539	254,256,539	254,256,539	254,256,539	254,256,539	

Benchmark Composition

	Weight (%)
Apr-2024	
Blmbg. U.S. Aggregate	27.0
S&P 500	33.5
Russell 2500 Index	9.5
MSCI EAFE (Net)	19.0
MSCI Emerging Markets (Net)	7.0
NCREIF Fund Index - ODCE (net)	4.0



Manager Performance

Total Invested Assets (excluding Prepaid)

As of December 31, 2024

	Allocation		Performance(%)								Manager Status
	Market Value (\$)	%	QTR	Fiscal YTD	1 Year	3 Years	5 Years	10 Years	Since Inception	Inception Date	
Total Invested Assets (excluding Prepaid)	254,256,539	100.0	-2.0	4.1	11.2	2.6	6.9	6.9	5.6	01/2008	
Policy Benchmark			-2.1	4.0	10.7	2.8	7.3	7.5	6.7		
Secondary Benchmark			-2.1	4.0	10.7	2.6	7.0	7.3	6.5		
Short Term Liquidity	134,851	0.1	0.4	1.0	2.9	1.8	-	-	1.4	01/2021	
90 Day U.S. Treasury Bill			1.2	2.6	5.3	3.9	2.5	1.8	2.9		
Key Bank Cash Portfolio	133,969	0.1									
First American Govt Oblig Fund Z	882	0.0	1.2	2.5	5.2	3.9	2.4	1.7	4.1	03/2022	
90 Day U.S. Treasury Bill			1.2	2.6	5.3	3.9	2.5	1.8	4.1		
Fixed Income	68,213,595	26.8	-2.8	2.4	2.5	-1.7	-	-	-1.8	01/2021	
Blmbg. U.S. Aggregate			-3.1	2.0	1.3	-2.4	-0.3	1.3	-2.2		
JIC Core Bond Fund I	50,338,584	19.8	-3.5	1.9	1.2	-2.7	-0.2	1.6	-1.1	03/2020	Maintain
Blmbg. U.S. Aggregate			-3.1	2.0	1.3	-2.4	-0.3	1.3	-1.1		
IM U.S. Broad Market Core Fixed Income (MF) Median			-3.0	2.0	1.6	-2.4	-0.1	1.4	-0.9		
JIC Core Bond Fund I Rank			94	61	76	72	55	31	68		
BlackRock Strategic Income Opportunities K	17,875,011	7.0	-0.6	3.7	5.4	2.2	3.0	3.0	3.2	03/2022	Maintain
Blmbg. U.S. Aggregate			-3.1	2.0	1.3	-2.4	-0.3	1.3	-1.4		
IM Alternative Credit Focus (MF) Median			0.0	3.8	6.1	2.2	2.8	2.2	3.0		
BlackRock Strategic Income Opportunities K Rank			74	56	69	51	49	24	46		

Client portfolio performance is presented net of underlying investment manager fees but gross of Fiducient Advisors' fees. Manager performance for mutual funds and ETFs is based on NAV and provided by Lipper. Performance for non-mutual fund or ETF investments is based on the returns provided by managers, calculations based on a manager statement, or calculations based on a statement or data from the client's custodian. Funds may include returns of an equivalent share class with a longer return history if period includes dates prior to the fund's inception. Returns are net of fees unless otherwise stated. The fund's inception date represents the first month the client made the investment. Composite performance includes all funds held in the composite since inception. Inception dates for asset class composites reflect the start date at which these returns could be calculated using historical and existing system capabilities and may vary from the inception dates of underlying component strategies.



Manager Performance

Total Invested Assets (excluding Prepaid)

As of December 31, 2024

	Allocation		Performance(%)								Manager Status
	Market Value (\$)	%	QTR	Fiscal YTD	1 Year	3 Years	5 Years	10 Years	Since Inception	Inception Date	
Domestic Equity	113,570,611	44.7	2.0	8.7	22.1	7.6	-	-	11.9	01/2021	
<i>Domestic Equity Benchmark</i>			2.0	8.7	22.1	7.6	13.4	12.0	12.0		
Mellon Large Cap Core	88,483,785	34.8	2.4	8.4	25.0	8.9	14.5	-	14.7	04/2016	Maintain
<i>S&P 500</i>			2.4	8.4	25.0	8.9	14.5	13.1	14.8		
IM U.S. Large Cap Core Equity (MF) Median			1.7	6.9	22.9	7.6	13.4	12.0	13.6		
Mellon Large Cap Core Rank			27	23	26	26	24	-	19		
Mellon Smid Cap Core	25,086,825	9.9	0.6	9.5	12.1	2.5	8.9	-	10.6	04/2016	Maintain
<i>Russell 2500 Index</i>			0.6	9.4	12.0	2.4	8.8	8.8	10.5		
IM U.S. SMID Cap Equity (MF) Median			-0.1	7.9	12.2	1.5	8.7	8.5	10.2		
Mellon Smid Cap Core Rank			34	32	52	42	45	-	40		
International Equity	63,903,560	25.1	-7.9	-1.0	5.1	1.0	-	-	2.1	01/2021	
<i>International Equity Benchmark</i>			-8.1	-1.0	5.0	0.9	4.4	5.1	2.3		
Mellon EAFE Fund	46,009,300	18.1	-8.1	-1.4	4.2	2.0	5.1	-	6.9	04/2016	Maintain
<i>MSCI EAFE (Net)</i>			-8.1	-1.4	3.8	1.6	4.7	5.2	6.4		
IM International Large Cap Core Equity (MF) Median			-8.0	-1.6	3.8	1.0	4.6	4.7	6.0		
Mellon EAFE Fund Rank			51	48	46	22	34	-	19		
Mellon Emerging Markets	17,894,260	7.0	-7.6	0.1	7.3	-2.3	1.4	-	5.3	04/2016	Maintain
<i>MSCI Emerging Markets (Net)</i>			-8.0	0.0	7.5	-1.9	1.7	3.6	5.4		
IM Emerging Markets Equity (MF) Median			-6.8	-0.6	6.4	-3.0	1.5	3.3	5.1		
Mellon Emerging Markets Rank			70	37	38	44	52	-	47		

Client portfolio performance is presented net of underlying investment manager fees but gross of Fiducient Advisors' fees. Manager performance for mutual funds and ETFs is based on NAV and provided by Lipper. Performance for non-mutual fund or ETF investments is based on the returns provided by managers, calculations based on a manager statement, or calculations based on a statement or data from the client's custodian. Funds may include returns of an equivalent share class with a longer return history if period includes dates prior to the fund's inception. Returns are net of fees unless otherwise stated. The fund's inception date represents the first month the client made the investment. Composite performance includes all funds held in the composite since inception. Inception dates for asset class composites reflect the start date at which these returns could be calculated using historical and existing system capabilities and may vary from the inception dates of underlying component strategies.



Manager Performance

Total Invested Assets (excluding Prepaid)

As of December 31, 2024

	Allocation		Performance(%)								Manager Status
	Market Value (\$)	%	QTR	Fiscal YTD	1 Year	3 Years	5 Years	10 Years	Since Inception	Inception Date	
Private Equity	547,088	0.2	0.0	-2.3	-4.7	-7.4	-	-	-1.5	01/2021	
Hamilton Lane II	881	0.0	0.0	-3.9	-11.6	-24.4	-16.1	0.1	7.0	03/2009	Maintain
Hamilton Lane VII A	391,261	0.2	0.0	-1.9	-5.0	-7.9	3.7	7.4	8.9	07/2011	Maintain
Hamilton Lane VII B	154,946	0.1	0.0	-3.4	-3.4	-4.7	0.6	4.9	6.9	07/2011	Maintain
Real Assets	7,886,834	3.1	0.0	-0.2	-3.3	-6.4	-	-	-1.3	01/2021	
Real Assets Benchmark			0.0	0.0	-3.2	-3.2	-	-	2.0		
UBS Trumbull Property Fund	7,886,834	3.1	0.0	-0.2	-3.3	-5.1	-1.4	-	0.6	07/2016	Terminate
NCREIF Fund Index - ODCE (net)			0.0	0.0	-3.2	-3.4	1.8	4.8	3.6		

Valuations data as of:

Valuations data as of:

Hamilton Lane VII - 09/30/2024

Hamilton Lane II - 09/30/2024

UBS Trumbull Property Fund - 09/30/2024

All private equity and real estate assets are adjusted for any subsequent capital activity.

Client portfolio performance is presented net of underlying investment manager fees but gross of Fiducient Advisors' fees. Manager performance for mutual funds and ETFs is based on NAV and provided by Lipper. Performance for non-mutual fund or ETF investments is based on the returns provided by managers, calculations based on a manager statement, or calculations based on a statement or data from the client's custodian. Funds may include returns of an equivalent share class with a longer return history if period includes dates prior to the fund's inception. Returns are net of fees unless otherwise stated. The fund's inception date represents the first month the client made the investment. Composite performance includes all funds held in the composite since inception. Inception dates for asset class composites reflect the start date at which these returns could be calculated using historical and existing system capabilities and may vary from the inception dates of underlying component strategies.



Calendar Year Performance

Total Invested Assets (excluding Prepaid)

As of December 31, 2024

	Performance(%)									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total Invested Assets (excluding Prepaid)	15.0	-15.4	14.6	12.7	19.1	-5.2	17.0	8.7	-2.2	4.0
Policy Benchmark	14.9	-14.7	14.3	14.5	20.6	-5.2	16.9	9.0	-0.2	7.3
Secondary Benchmark	14.7	-15.1	14.1	14.0	19.8	-5.3	16.7	9.1	-0.2	7.1
Short Term Liquidity	2.3	0.3	0.0	-	-	-	-	-	-	-
90 Day U.S. Treasury Bill	5.0	1.5	0.0	0.7	2.3	1.9	0.9	0.3	0.0	0.0
First American Govt Oblig Fund Z	5.0	1.5	0.0	0.4	2.1	1.7	0.8	0.2	0.0	0.0
90 Day U.S. Treasury Bill	5.0	1.5	0.0	0.7	2.3	1.9	0.9	0.3	0.0	0.0
Fixed Income	6.0	-12.7	-2.0	-	-	-	-	-	-	-
Blmbg. U.S. Aggregate	5.5	-13.0	-1.5	7.5	8.7	0.0	3.5	2.6	0.5	6.0
JIC Core Bond Fund I	5.4	-13.7	-2.0	9.7	8.9	0.1	3.7	3.7	1.2	6.8
Blmbg. U.S. Aggregate	5.5	-13.0	-1.5	7.5	8.7	0.0	3.5	2.6	0.5	6.0
IM U.S. Broad Market Core Fixed Income (MF) Median	5.8	-13.7	-1.3	8.2	8.8	-0.6	3.6	2.9	0.0	5.5
JIC Core Bond Fund I Rank	71	52	84	14	45	13	46	29	5	10
BlackRock Strategic Income Opportunities K	7.4	-5.6	1.0	7.3	7.8	-0.5	5.0	3.6	-0.6	3.6
Blmbg. U.S. Aggregate	5.5	-13.0	-1.5	7.5	8.7	0.0	3.5	2.6	0.5	6.0
IM Alternative Credit Focus (MF) Median	7.3	-7.6	1.9	3.9	7.3	-1.9	4.5	4.9	-1.6	1.0
BlackRock Strategic Income Opportunities K Rank	49	41	58	17	43	29	43	64	25	21

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Calendar Year Performance

Total Invested Assets (excluding Prepaid)

As of December 31, 2024

	Performance(%)									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Equity	21.0	-17.2	18.6	-	-	-	-	-	-	-
MSCI AC World Index (Net)	22.2	-18.4	18.5	16.3	26.6	-9.4	24.0	7.9	-2.4	4.2
Domestic Equity	24.4	-18.1	26.0	-	-	-	-	-	-	-
Domestic Equity Benchmark	24.4	-18.1	26.3	19.3	30.1	-6.6	19.9	14.2	-0.1	11.3
Mellon Large Cap Core	26.2	-18.1	28.7	18.3	31.4	-4.4	21.8	-	-	-
S&P 500	26.3	-18.1	28.7	18.4	31.5	-4.4	21.8	12.0	1.4	13.7
IM U.S. Large Cap Core Equity (MF) Median	24.8	-18.7	26.9	18.4	30.7	-5.4	21.5	9.7	0.5	11.5
Mellon Large Cap Core Rank	38	45	26	52	38	32	45	-	-	-
Mellon Smid Cap Core	17.6	-18.3	18.4	20.0	27.9	-9.9	17.0	-	-	-
Russell 2500 Index	17.4	-18.4	18.2	20.0	27.8	-10.0	16.8	17.6	-2.9	7.1
IM U.S. SMID Cap Equity (MF) Median	16.1	-18.6	20.2	17.6	27.6	-9.6	18.0	15.4	-3.2	5.7
Mellon Smid Cap Core Rank	35	49	57	47	47	52	55	-	-	-
International Equity	16.3	-15.8	5.5	-	-	-	-	-	-	-
International Equity Benchmark	16.1	-15.7	6.7	13.2	20.3	-14.1	31.1	6.2	-8.0	-3.5
Mellon EAFE Fund	18.6	-14.1	11.5	8.6	22.3	-13.3	25.7	-	-	-
MSCI EAFE (Net)	18.2	-14.5	11.3	7.8	22.0	-13.8	25.0	1.0	-0.8	-4.9
IM International Large Cap Core Equity (MF) Median	17.2	-15.1	10.7	9.1	22.1	-15.0	25.0	0.0	-1.9	-6.0
Mellon EAFE Fund Rank	27	30	36	57	46	13	40	-	-	-
Mellon Emerging Markets	9.5	-20.6	-2.6	18.3	18.4	-14.6	37.2	-	-	-
MSCI Emerging Markets (Net)	9.8	-20.1	-2.5	18.3	18.4	-14.6	37.3	11.2	-14.9	-2.2
IM Emerging Markets Equity (MF) Median	10.9	-22.5	-1.6	17.7	20.2	-16.5	35.7	8.3	-13.7	-3.0
Mellon Emerging Markets Rank	62	35	59	47	63	29	44	-	-	-

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Calendar Year Performance

Total Invested Assets (excluding Prepaid)

As of December 31, 2024

	Performance(%)									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Private Equity	-7.0	-10.5	18.8	-	-	-	-	-	-	-
Hamilton Lane II	-52.0	2.0	-22.9	24.7	32.7	25.5	13.6	8.9	17.2	10.4
Hamilton Lane VII A	-4.7	-13.8	33.9	14.6	13.9	14.7	9.9	9.0	8.5	16.8
Hamilton Lane VII B	-7.0	-3.8	0.4	18.6	6.8	8.3	10.7	9.1	12.1	9.0
Real Assets	-15.8	0.8	15.7	-	-	-	-	-	-	-
<i>Real Assets Benchmark</i>	-12.7	7.5	19.3	-	-	-	-	-	-	-
UBS Trumbull Property Fund	-15.8	4.9	15.1	-5.1	-3.0	6.0	5.2	-	-	-
<i>NCREIF Fund Index - ODCE (net)</i>	-12.7	6.5	21.0	0.3	4.4	7.4	6.7	7.8	14.0	11.5

Client portfolio performance is presented net of underlying investment manager fees but gross of Fiducient Advisors' fees. Manager performance for mutual funds and ETFs is based on NAV and provided by Lipper. Performance for non-mutual fund or ETF investments is based on the returns provided by managers, calculations based on a manager statement, or calculations based on a statement or data from the client's custodian. Funds may include returns of an equivalent share class with a longer return history if period includes dates prior to the fund's inception. Returns are net of fees unless otherwise stated. The fund's inception date represents the first month the client made the investment. Composite performance includes all funds held in the composite since inception. Inception dates for asset class composites reflect the start date at which these returns could be calculated using historical and existing system capabilities and may vary from the inception dates of underlying component strategies.



Manager Status Commentary

City of Burlington Employees Retirement System

As of December 31, 2024

Manager	Recommendation	Comments
Fixed Income		
JIC Core Bond Fund I	Maintain	
BlackRock Strategic Income Opportunities K	Maintain	
Equity		
Domestic Equity		
Mellon Large Cap Core	Maintain	
Mellon Smid Cap Core	Maintain	
International Equity		
Mellon EAFE Fund	Maintain	
Mellon Emerging Markets	Maintain	
Private Equity		
Hamilton Lane II	Maintain	
Hamilton Lane VII A	Maintain	
Hamilton Lane VII B	Maintain	
Real Assets		
UBS Trumbull Property Fund	Terminate	Following the departures of two key team members in 2020, Matt Lynch, Head of US Real Estate, and Jack Connelly, Head of Transactions, the UBS Trumbull Property Fund was evaluated for potential impacts and conversation with the team took place. Following this due diligence the Trumbull Property Fund was moved to terminate status. A significant redemption queue remains for the Fund. Redemptions are paid out on a pro-rata basis according to the ratio of the requesting investor's units to the total units of all investors requesting redemptions. It is anticipated that satisfying the pool will be a multi-year process.

BERS is in the redemption queue for a full liquidation of the UBS Trumbull Property Fund.



Investment Gain/Loss Summary

City of Burlington Employees Retirement System

1 Quarter Ending December 31, 2024

	Market Value as of 10/01/2024	Net Contributions	Gain/Loss	Market Value As of 12/31/2024
Total Plan	255,500,742	1,994,325	-5,207,691	252,287,377
Prepaid Pension Benefits	-3,963,487	1,994,325	-	-1,969,162
Total Invested Assets	259,464,230	-	-5,207,691	254,256,539
Short Term Liquidity	301,369	-167,398	880	134,851
Key Bank Cash Portfolio	99,735	34,234	-	133,969
First American Govt Oblig Fund Z	7,956	-7,802	729	882
First American Govt Oblig Fund Z- Alternatives	193,678	-193,829	151	-
Fixed Income	69,486,209	658,836	-1,931,451	68,213,595
JIC Core Bond Fund I	51,509,737	658,836	-1,829,989	50,338,584
BlackRock Strategic Income Opportunities K	17,976,472	-	-101,461	17,875,011
Equity	181,332,613	-34,234	-3,277,120	178,021,259
Domestic Equity	111,329,761	-	2,240,850	113,570,611
Mellon Large Cap Core	86,401,984	-	2,081,802	88,483,785
Mellon Smid Cap Core	24,927,777	-	159,048	25,086,825
International Equity	69,421,531	-	-5,517,970	63,903,560
Mellon EAFE Fund	50,061,916	-	-4,052,616	46,009,300
Mellon Emerging Markets	19,359,615	-	-1,465,355	17,894,260
Private Equity	581,322	-34,234	-	547,088
Hamilton Lane II	11,241	-10,360	-	881
Hamilton Lane VII A	410,918	-19,657	-	391,261
Hamilton Lane VII B	159,163	-4,217	-	154,946
Real Assets	8,344,038	-457,204	-	7,886,834
UBS Trumbull Property Fund	8,344,038	-457,204	-	7,886,834

Valuations data as of:

Valuations data as of:

Hamilton Lane VII - 09/30/2024

Hamilton Lane II - 09/30/2024

UBS Trumbull Property Fund - 09/30/2024

All private equity and real estate assets are adjusted for any subsequent capital activity.

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Estimated Fee Analysis

Total Invested Assets

As of December 31, 2024

	Market Value (\$)	Estimated Annual Fee (\$)	Estimated Annual Fee (%)	Fee Schedule Details (Ex. Mutual Fund Investments)
Total Invested Assets	254,256,539	392,773	0.15	
Short Term Liquidity	134,851	2	0.00	
Key Bank Cash Portfolio	133,969	-	-	
First American Govt Oblig Fund Z	882	2	0.18	
Fixed Income	68,213,595	242,034	0.35	
JIC Core Bond Fund I	50,338,584	125,846	0.25	
BlackRock Strategic Income Opportunities K	17,875,011	116,188	0.65	
Equity	178,021,259	90,009	0.05	
Domestic Equity	113,570,611	45,428	0.04	
Mellon Large Cap Core	88,483,785	35,394	0.04	0.04 % of Assets
Mellon Smid Cap Core	25,086,825	10,035	0.04	0.04 % of Assets
International Equity	63,903,560	39,109	0.06	
Mellon EAFE Fund	46,009,300	23,005	0.05	0.05 % of Assets
Mellon Emerging Markets	17,894,260	16,105	0.09	0.09 % of Assets
Private Equity	547,088	5,471	1.00	
Hamilton Lane II	881	9	1.00	1.00 % of Assets
Hamilton Lane VII A	391,261	3,913	1.00	1.00 % of Assets
Hamilton Lane VII B	154,946	1,549	1.00	1.00 % of Assets
Real Assets	7,886,834	60,729	0.77	
UBS Trumbull Property Fund	7,886,834	60,729	0.77	0.77 % of Assets

The figures on this page have been obtained from sources we deem to be reliable. Fiducient Advisors has not independently verified this information.

Fee calculations for mutual funds represent fees at the net expense level. Fee calculations for commingled funds and/or alternative investments reflect base management fees and exclude underlying fund expenses captured at the NAV level, any applicable performance-based fees, or incentive fees. Fees for fund of funds are shown at the fund of fund level and do not include fees charged by underlying investment managers/funds.



Liquidity Schedule

Total Invested Assets

As of December 31, 2024

Investments	Subscriptions	Redemptions	Market Value (\$)	Liquid (\$)	Semi Liquid (\$)	Illiquid (\$)
Short Term Liquidity						
Key Bank Cash Portfolio	Daily	Liquid	133,969	133,969	-	-
First American Govt Oblig Fund Z	Daily	Liquid	882	882	-	-
Fixed Income						
JIC Core Bond Fund I	Daily	Liquid	50,338,584	50,338,584	-	-
BlackRock Strategic Income Opportunities K	Daily	Liquid	17,875,011	17,875,011	-	-
Domestic Equity						
Mellon Large Cap Core	Daily	Liquid	88,483,785	88,483,785	-	-
Mellon Smid Cap Core	Daily	Liquid	25,086,825	25,086,825	-	-
International Equity						
Mellon EAFE Fund	Daily	Liquid	46,009,300	46,009,300	-	-
Mellon Emerging Markets	Daily	Liquid	17,894,260	17,894,260	-	-
Private Equity						
Hamilton Lane II	Illiquid	Illiquid	881	-	-	881
Hamilton Lane VII A	Illiquid	Illiquid	391,261	-	-	391,261
Hamilton Lane VII B	Illiquid	Illiquid	154,946	-	-	154,946
Real Assets						
UBS Trumbull Property Fund	Quarterly	Semi Liquid	7,886,834	-	7,886,834	-
Total (\$)			254,256,539	245,822,617	7,886,834	547,088

Liquid – daily to monthly | Semi-Liquid – greater than monthly and up to one year | Illiquid – greater than one year

The figures on this page have been obtained from sources we deem to be reliable. Fiducient Advisors has not independently verified this information.



Liquidity Schedule

Total Invested Assets		As of December 31, 2024
Redemptions	Market Value (\$)	% of Total Plan
Illiquid	547,088	0.2
Semi Liquid	7,886,834	3.1
Liquid	245,822,617	96.7
Total	254,256,539	100.0



Benchmark History

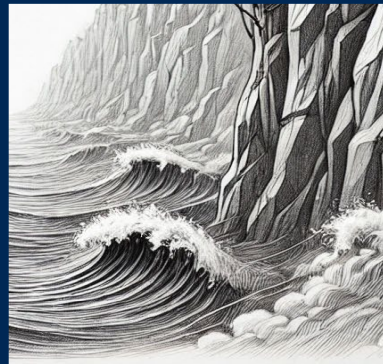
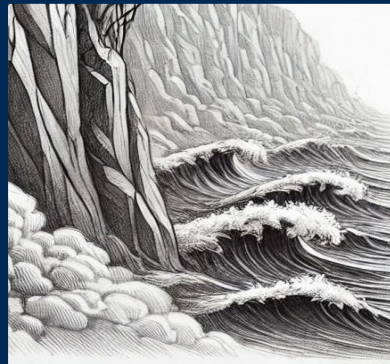
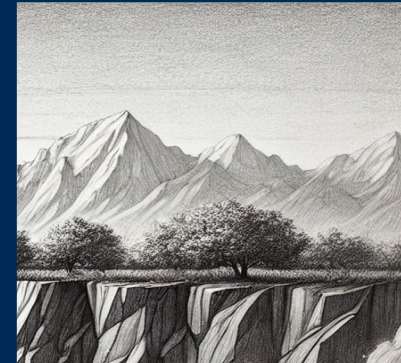
Total Invested Assets

As of December 31, 2024

Account Name	From Date	To Date	Benchmark
Total Invested Assets	04/2024	Present	27.0% Blmbg. U.S. Aggregate, 33.5% S&P 500, 9.5% Russell 2500 Index, 19.0% MSCI EAFE (Net), 7.0% MSCI Emerging Markets (Net), 4.0% NCREIF Fund Index - ODCE (net)
	01/2023	04/2024	25.0% Blmbg. U.S. Aggregate, 32.5% S&P 500, 9.0% Russell 2500 Index, 20.5% MSCI EAFE (Net), 7.0% MSCI Emerging Markets (Net), 6.0% NCREIF Fund Index - ODCE (net)
	09/2022	01/2023	25.0% Blmbg. U.S. Aggregate, 31.5% S&P 500, 9.0% Russell 2500 Index, 20.5% MSCI EAFE (Net), 7.0% MSCI Emerging Markets (Net), 6.0% NCREIF Fund Index - ODCE (net), 1.0% NCREIF Timberland Index
	05/2021	09/2022	18.0% Blmbg. U.S. Aggregate, 31.5% S&P 500, 10.5% Russell 2500 Index, 23.0% MSCI EAFE (Net), 10.0% MSCI Emerging Markets (Net), 6.0% NCREIF Fund Index - ODCE (net), 1.0% NCREIF Timberland Index
	12/2019	05/2021	20.0% Blmbg. U.S. Aggregate, 32.0% S&P 500, 18.0% Russell 2500 Index, 10.0% MSCI EAFE (Net), 10.0% MSCI Emerging Markets (Net), 8.0% NCREIF Fund Index - ODCE (net), 2.0% NCREIF Timberland Index
	06/2017	12/2019	20.0% Blmbg. Intermed. U.S. Government/Credit, 30.0% S&P 500, 18.0% Russell 2500 Index, 2.0% S&P Completion Index, 10.0% MSCI EAFE (Net), 10.0% MSCI Emerging Markets (Net), 8.0% NCREIF Fund Index - ODCE (net), 2.0% NCREIF Timberland Index
	01/2016	06/2017	28.0% Blmbg. Intermed. U.S. Government/Credit, 30.0% S&P 500, 18.0% Russell 2500 Index, 2.0% S&P Completion Index, 10.0% MSCI EAFE (Net), 10.0% MSCI Emerging Markets (Net), 2.0% NCREIF Timberland Index
	01/2008	01/2016	20.0% Blmbg. U.S. Aggregate, 32.0% S&P 500, 18.0% Russell 2500 Index, 10.0% MSCI EAFE (Net), 10.0% MSCI Emerging Markets (Net), 8.0% NCREIF Fund Index - ODCE (net), 2.0% NCREIF Timberland Index
Secondary Benchmark	04/2024	Present	27.0% Blmbg. U.S. Aggregate, 33.5% S&P 500, 9.5% Russell 2500 Index, 19.0% MSCI EAFE (Net), 7.0% MSCI Emerging Markets (Net), 4.0% UBS Trumbull Property Fund
	01/2023	04/2024	25.0% Blmbg. U.S. Aggregate, 32.5% S&P 500, 9.0% Russell 2500 Index, 20.5% MSCI EAFE (Net), 7.0% MSCI Emerging Markets (Net), 6.0% UBS Trumbull Property Fund
	09/2022	01/2023	25.0% Blmbg. U.S. Aggregate, 31.5% S&P 500, 9.0% Russell 2500 Index, 20.5% MSCI EAFE (Net), 7.0% MSCI Emerging Markets (Net), 6.0% UBS Trumbull Property Fund, 1.0% Molpus SWF II
	05/2021	09/2022	18.0% Blmbg. U.S. Aggregate, 31.5% S&P 500, 10.5% Russell 2500 Index, 23.0% MSCI EAFE (Net), 10.0% MSCI Emerging Markets (Net), 6.0% UBS Trumbull Property Fund, 1.0% Molpus SWF II
	12/2019	05/2021	20.0% Blmbg. U.S. Aggregate, 32.0% S&P 500, 18.0% Russell 2500 Index, 10.0% MSCI EAFE (Net), 10.0% MSCI Emerging Markets (Net), 8.0% UBS Trumbull Property Fund, 2.0% Molpus SWF II
	06/2017	12/2019	20.0% Blmbg. Intermed. U.S. Government/Credit, 30.0% S&P 500, 18.0% Russell 2500 Index, 2.0% S&P Completion Index, 10.0% MSCI EAFE (Net), 10.0% MSCI Emerging Markets (Net), 8.0% UBS Trumbull Property Fund, 2.0% Molpus SWF II
	07/2016	06/2017	28.0% Blmbg. Intermed. U.S. Government/Credit, 30.0% S&P 500, 18.0% Russell 2500 Index, 2.0% S&P Completion Index, 10.0% MSCI EAFE (Net), 10.0% MSCI Emerging Markets (Net), 2.0% Molpus SWF II
	01/2016	07/2016	28.0% Blmbg. Intermed. U.S. Government/Credit, 30.0% S&P 500, 18.0% Russell 2500 Index, 2.0% S&P Completion Index, 10.0% MSCI EAFE (Net), 10.0% MSCI Emerging Markets (Net), 2.0% Molpus SWF II
	03/2009	01/2016	20.0% Blmbg. U.S. Aggregate, 32.0% S&P 500, 18.0% Russell 2500 Index, 10.0% MSCI EAFE (Net), 10.0% MSCI Emerging Markets (Net), 8.0% NCREIF Fund Index - ODCE (net), 2.0% Molpus SWF II
	01/2008	03/2009	20.0% Blmbg. U.S. Aggregate, 32.0% S&P 500, 18.0% Russell 2500 Index, 10.0% MSCI EAFE (Net), 10.0% MSCI Emerging Markets (Net), 8.0% NCREIF Fund Index - ODCE (net), 2.0% NCREIF Timberland Index



Fiducient's 2025 Outlook and Capital Market Assumptions



Bridging The Divide

2025 Outlook

01

Fragility

Valuation, concentration and inflation have sowed the seeds for potential volatility

02

Durability

Intentionality is key and durability is available at modest "cost" in markets today

03

Age of Alpha

Active management and alternatives have the potential to enhance portfolio resilience





Market Themes

The Impact from Concentration

As market concentration has grown, so have the risks associated with it. If the top-10 stocks experience a flat return and the remainder of constituents achieve a more typical long-term return of 7%, the overall index would return less than 5%. The “law of large numbers” comes into play as the mega cap companies try to maintain growth metrics to support price and valuations but, if history rhymes, many may find it hard to sustain these levels in the future.

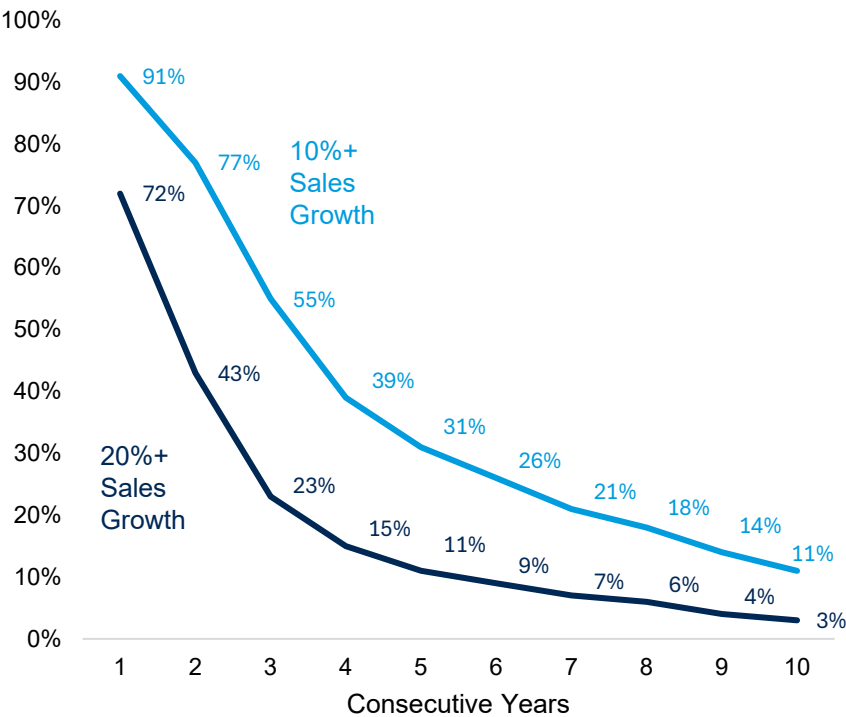
		Flat Top 10	Top 10	Top 5	Top 3
Top X Return		0%	-13%	-19%	-28%
Remainder Return		7%	7%	7%	7%
		4.5%	0.00%	0.00%	0.00%
Name	Weight (%)				
NVIDIA CORP	7.2%	0%	-13%	-19%	-28%
APPLE INC	6.7%	0%	-13%	-19%	-28%
MICROSOFT CORP	6.2%	0%	-13%	-19%	-28%
AMAZON COM INC	3.9%	0%	-13%	-19%	7%
META PLATFORMS INC CLASS A	2.5%	0%	-13%	-19%	7%
ALPHABET INC CLASS A	2.1%	0%	-13%	7%	7%
TESLA INC	1.8%	0%	-13%	7%	7%
ALPHABET INC CLASS C	1.7%	0%	-13%	7%	7%
BERKSHIRE HATHAWAY INC CLASS B	1.7%	0%	-13%	7%	7%
BROADCOM INC	1.6%	0%	-13%	7%	7%
JPMORGAN CHASE & CO	1.3%	7%	7%	7%	7%
ELI LILLY	1.3%	7%	7%	7%	7%
UNITEDHEALTH GROUP INC	1.1%	7%	7%	7%	7%
REMAINING CONSTITUENTS	60.9%	7%	7%	7%	7%

For illustrative purposes only. Source: FactSet as of October 31, 2024.

Can the Party Keep Going?

Large-cap U.S. equities had another banner year as the S&P 500 returned over 25%. Valuation and concentration have increased within the index as the “Mag 7” accounted for over 50% of the Index’s return in 2024¹. Historically it has been extremely difficult for companies to sustain high levels of growth for consecutive years and a reversion of these darling stocks may lead to higher volatility and offer opportunities in other areas of the market.

Share of Individual S&P 500 Companies with Sustained High Sales Growth (1985-Present)



Sources: Goldman Sachs as of October 18, 2024.

1) Morningstar as of December 31, 2024.



Market Themes

Stubborn Inflation and Potential for Reignition?

Substantial progress has been made on the inflation front, but levels remain stubbornly above the Fed's 2% target, now sitting at 2.7%¹. Technological and productivity advancements help price stability, but a host of other factors are increasing the risks of inflation potentially reigniting. Shifting expectations away from an easing Fed or moderating inflation may impact price and volatility and warrants monitoring.

Inflationary

- Deglobalization/ onshoring
- Political factors (e.g., potential tariffs, immigration policy, etc.)
- Growing deficits
- Money supply
- Decarbonization

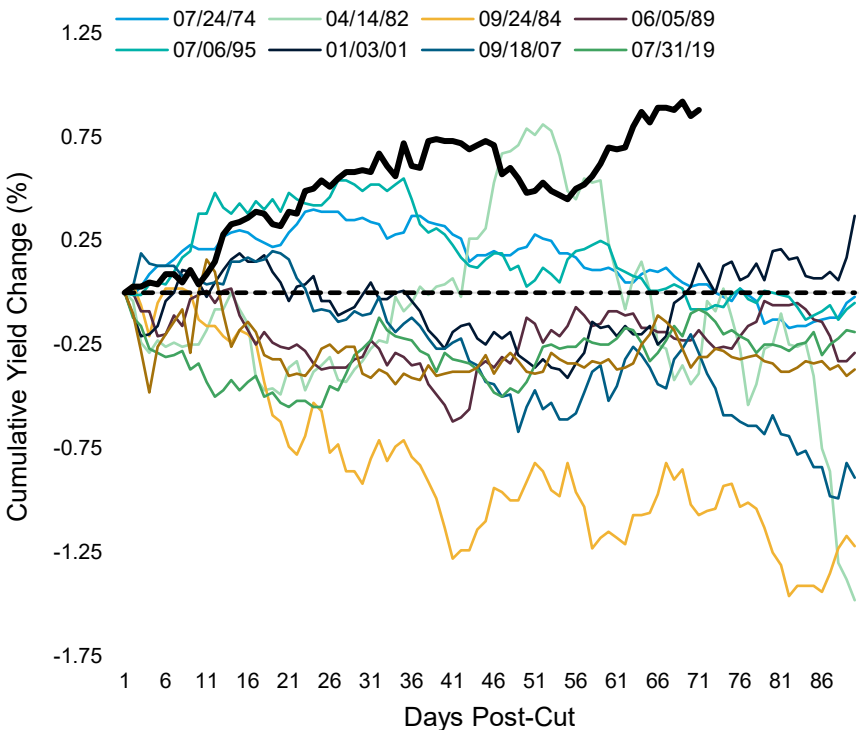
Disinflationary

- Slowing population growth
- Technology
- AI productivity enhancement

Rates Cut, Markets Split

After the Fed's first rate cut of the year, the 10-year U.S. Treasury yield soared by over 75 basis points—a rare event not seen since 1982. This unexpected reaction could indicate resistance from the bond market, fueled by increased concerns of more persistent inflation and uncertainty around the impact of potential policy changes regarding tariffs and immigration, high deficits, and deglobalization.

Cumulative Change of 10-Year U.S. Treasury Yield 90 Trading Days After First Fed Cut



Source: FactSet. As of December 31, 2024.

1) FactSet, Bureau of Labor Statistics. As of November 30, 2024.



2025 Outlook and Investment Implications

- Our return expectations have decreased across all asset classes.
 - *The extremely strong investment returns across most asset classes in 2023 and 2024 have resulted in full valuations in many segments of the marketplace.*
 - *Additionally, concentration within the U.S. large-cap market and reinflation risks should be considered.*
- Rising reinflation risk and heightened probability of currency volatility may suggest an increase in more flexible fixed income strategies and a reduction or elimination of global bond allocations.
- Full valuations, significant concentration, and continued narrow market leadership in U.S. equities may make the case for a modest underweight to domestic markets, relative to the global opportunity set.
 - *The 12/31/24 allocation of the MSCI ACWI Index was approximately 65% U.S. equity, 35% international equity (~24.4% developed international, ~10.4% emerging markets).*
- Within U.S. equities, we continue to favor a modest overweight to small cap stocks given the more significant concentration within the large cap segment of the market, valuation metrics, and the potential tailwind of falling short term interest rates.
- We continue to advocate for exposure to real assets but have a modest preference for a broadly diversified allocation over dedicated REITs, given relative valuations.
- We continue to advocate for a well-diversified “all weather” portfolio, designed to withstand various market environments.



2025-2044 Twenty-Year Outlook

20-Year Market Forecasts

Fixed Income	Inflation continued to moderate in 2024 and the Federal Reserve began to ease monetary conditions by cutting rates in September. Yields fell broadly across the fixed income landscape resulting in lower return expectations from the year prior, but still healthy overall levels. High yield was one of the best performing fixed income asset classes in 2024. The change in forecast was further impacted by tighter credit spreads (the additional yield above Treasuries), which now approach pre-GFC levels⁴. The municipal bond market experienced similar dynamics, resulting in lower forecasts for 2025.	U.S. Bonds	5.2%	5.9%	-0.7%
		TIPS	4.8%	5.5%	-0.7%
		Dynamic Bonds ¹	5.3%	6.8%	-1.5%
		High Yield Bonds	6.8%	8.0%	-1.2%
		Global Bonds	5.3%	5.9%	-0.6%
		Muni Bond ²	5.6%	6.7%	-1.1%
		Muni High Yield ²	9.3%	10.7%	-1.4%
Global Equity	Equity forecasts were lower across regions. U.S. equities saw valuations rise, particularly driven by U.S. large cap. Valuations moved higher abroad as well, but not to the same extent as domestic markets. Valuations remain well above long-term averages in the U.S., while non-U.S. markets sit closer to average over the last 20 years.	U.S. All Cap	6.6%	7.3%	-0.7%
		Intl Developed Equity	7.5%	8.2%	-0.7%
		Emerging Markets	8.6%	10.1%	-1.5%
Real Assets & Alternatives	Real assets experienced momentum in 2024. Inflation fell from the start of the year, but positive price movements in underlying segments and lower yields have led to reduced return expectations for the asset class.	Real Estate	7.1%	7.8%	-0.7%
		Broad Real Assets ³	7.6%	8.3%	-0.7%
	Marketable alternatives expectations came down as both the outlook for underlying equity and fixed income asset classes fell from last year. Generally higher valuations in spite of modest deal activity have lowered our return expectation for private equity.	Marketable Alts	8.4%	9.1%	-0.7%
		Private Equity	9.6%	10.3%	-0.7%

1) Dynamic bonds are a blend of 33% Cash, 33% Corp HY and 34% Global Bonds. 2) Tax Equivalent yield based on highest marginal Federal tax rate (37%). 3) Broad Real Assets is 20% REITS, 20% Global Infrastructure, 20% Commodities, 20% US Bonds, 15% Corp High Yield, 5% TIPS. 4) FactSet, as of November 30, 2024. Outputs and opinions are as of the date referenced and are subject to change based on market or economic conditions. Information is intended for general information purposes only and does not represent any specific investment recommendation. Please consult with your advisor, attorney and accountant, as appropriate, regarding specific advice. There is no guarantee that any of these expectations will become actual results. For additional information on forecast methodologies, please speak with your advisor. Please see the index proxy summary slide at the end of this presentation for summary of indices used to represent each asset class. Past performance does not indicate future performance and there is a possibility of a loss.



Board Education Support



Board Educational Support

Training & Education to Assist Board Members in Making Informed Decisions

Fiduciary Governance

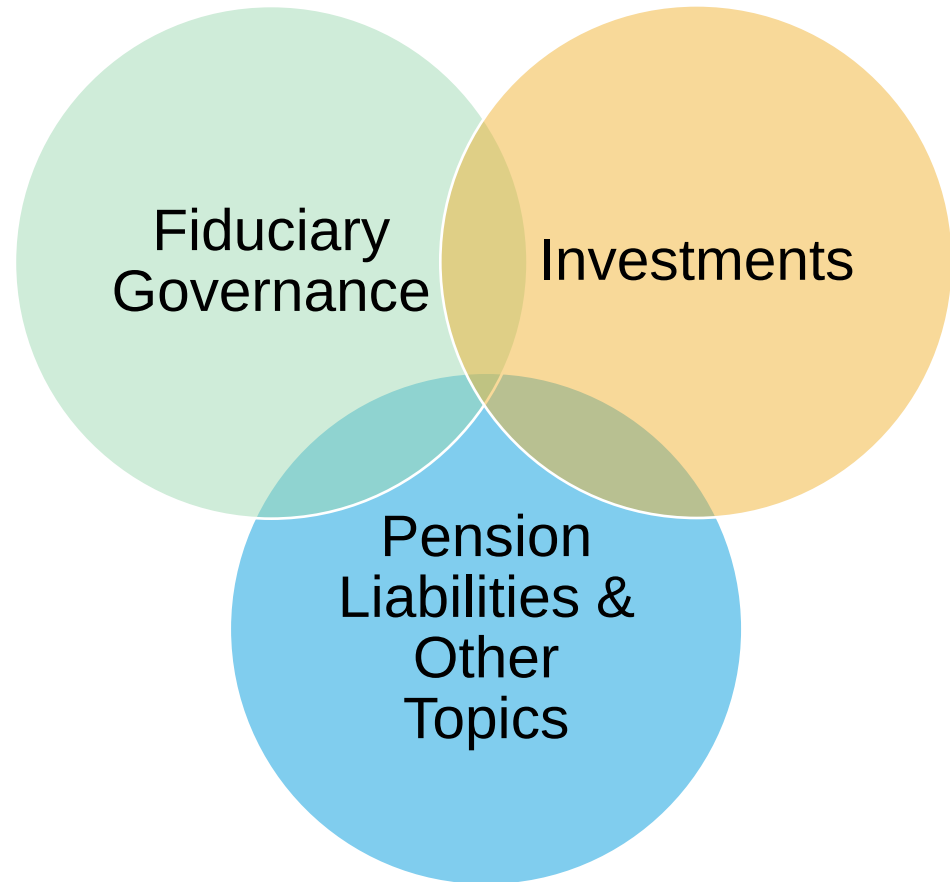
A thorough discussion regarding your role and responsibilities as a fiduciary including the Quarterly Fiduciary Governance Calendar topics.

Investments

In-depth reviews of global capital markets and specific asset classes, the concept of diversification and asset allocation, and the various types of strategies that may be used by investment managers.

Pension Liabilities & Other Topics

Understanding key concepts and assumptions that drive pension liability valuations and contribution volatility, and other topics of interest to the Board.





Education Plan Blueprint

Meeting Month	Committee Education & Training
January	Quarterly Fiduciary Governance Calendar: 2025 Outlook and Capital Market Assumptions
February	Education Focus: Development of Capital Market Assumptions; Efficient Frontier; Investment Return Assumption; Risk/Return Profile
March	Education Focus: Investment Vehicles, Active vs. Passive, and Performance Measures
April	Quarterly Fiduciary Governance Calendar: Investment Fee Review – Liquidity Profile
May	Education Focus: Plan Actuary: Understanding Pension Liabilities and Drivers of Contribution Volatility
June	<i>No formal group training planned.</i>
July	Quarterly Fiduciary Governance Calendar: Investment Policy Review & Committee Best Practices
August	<i>No formal group training planned.</i>
September	Fiduciary Training / Client Conference: Fiduciary Training: Understanding Your Roles and Responsibilities / Fiducient Client Conference, Boston MA
October	Education Focus: Asset Class Reviews
November	Quarterly Fiduciary Governance Calendar: Review of the Public Pension Landscape: Asset Allocation; Discount Rate and Funding Level Trends
December	<i>No formal group training planned.</i>



Definitions & Disclosures

Please note: Due to rounding methodologies of various data providers, certain returns in this report might differ slightly when compared to other sources

REGULATORY DISCLOSURES

Offer of ADV Part 2A: Rule 204-3 under the Investment Advisers Act of 1940 requires that we make an annual offer to clients to send them, without charge, a written disclosure statement meeting the requirements of such rule. We will be glad to send a copy of our ADV Part 2A to you upon your written request to compliance@fiducient.com.

INDEX DEFINITIONS

- **Citigroup 3 Month T-Bill** measures monthly return equivalents of yield averages that are not marked to market. The Three-Month Treasury Bill Indexes consist of the last three three-month Treasury bill issues.
- **Ryan 3 Yr. GIC** is an arithmetic mean of market rates of \$1 million Guaranteed Interest Contracts held for three years.
- **Bloomberg Treasury U.S. T-Bills-1-3 Month Index** includes aged U.S. Treasury bills, notes and bonds with a remaining maturity from 1 up to (but not including) 3 months. It excludes zero coupon strips.
- **Bloomberg Capital US Treasury Inflation Protected Securities Index** consists of Inflation-Protection securities issued by the U.S. Treasury.
- **Bloomberg Muni Index** is a rules-based, market-value-weighted index engineered for the long-term tax-exempt bond market. Bonds must be rated investment-grade by at least two ratings agencies.
- **Bloomberg Muni 1 Year Index** is the 1-year (1-2) component of the Municipal Bond index.
- **Bloomberg Muni 3 Year Index** is the 3-year (2-4) component of the Municipal Bond index.
- **Bloomberg Muni 5 Year Index** is the 5-year (4-6) component of the Municipal Bond index.
- **Bloomberg Muni 7 Year Index** is the 7-year (6-8) component of the Municipal Bond index.
- **Bloomberg Intermediate U.S. Gov't/Credit** is the Intermediate component of the U.S. Government/Credit index, which includes securities in the Government and Credit Indices. The Government Index includes treasuries and agencies, while the credit index includes publicly issued U.S. corporate and foreign debentures and secured notes that meet specified maturity, liquidity, and quality requirements.
- **Bloomberg U.S. Aggregate Index** covers the U.S. investment grade fixed rate bond market, with index components for government and corporate securities, mortgage pass-through securities, and asset-backed securities.
- **Bloomberg Global Aggregate ex. USD Indices** represent a broad-based measure of the global investment-grade fixed income markets. The two major components of this index are the Pan-European Aggregate and the Asian-Pacific Aggregate Indices. The index also includes Eurodollar and Euro-Yen corporate bonds and Canadian government, agency and corporate securities.
- **Bloomberg U.S. Corporate High Yield Index** covers the universe of fixed rate, non-investment grade debt. Eurobonds and debt issues from countries designated as emerging markets (sovereign rating of Baa1/BBB+/BBB+ and below using the middle of Moody's, S&P, and Fitch) are excluded, but Canadian and global bonds (SEC registered) of issuers in non-EMG countries are included.
- **JP Morgan Government Bond Index-Emerging Market (GBI-EM) Index** is a comprehensive, global local emerging markets index, and consists of regularly traded, liquid fixed-rate, domestic currency government bonds to which international investors can gain exposure.
- **The S&P 500** is a capitalization-weighted index of 500 stocks designed to measure performance of the broad domestic economy through changes in the aggregate market value of 500 stocks representing all major industries.
- **The Dow Jones Industrial Index** is a price-weighted average of 30 blue-chip stocks that are generally the leaders in their industry.
- **The NASDAQ** is a broad-based capitalization-weighted index of stocks in all three NASDAQ tiers: Global Select, Global Market and Capital Market.
- **Russell 3000** is a market-cap-weighted index which consists of roughly 3,000 of the largest companies in the U.S. as determined by market capitalization. It represents nearly 98% of the investable U.S. equity market.
- **Russell 1000** consists of the largest 1000 companies in the Russell 3000 Index.
- **Russell 1000 Growth** measures the performance of those Russell 1000 companies with higher P/B ratios and higher forecasted growth values.
- **Russell 1000 Value** measures the performance of those Russell 1000 companies with lower P/B ratios and lower forecasted growth values.
- **Russell Mid Cap** measures the performance of the 800 smallest companies in the Russell 1000 Index.
- **Russell Mid Cap Growth** measures the performance of those Russell Mid Cap companies with higher P/B ratios and higher forecasted growth values.
- **Russell Mid Cap Value** measures the performance of those Russell Mid Cap companies with lower P/B ratios and lower forecasted growth values.
- **Russell 2000** consists of the 2,000 smallest U.S. companies in the Russell 3000 index.
- **Russell 2000 Growth** measures the performance of the Russell 2000 companies with higher P/B ratios and higher forecasted growth values.
- **Russell 2000 Value** measures the performance of those Russell 2000 companies with lower P/B ratios and lower forecasted growth values.
- **Russell 2500** consists of the 2,500 smallest U.S. companies in the Russell 3000 index.
- **Russell 2500 Growth** measures the performance of the Russell 2500 companies with higher P/B ratios and higher forecasted growth values.
- **Russell 2500 Value** measures the performance of those Russell 2500 companies with lower P/B ratios and lower forecasted growth values.
- **MSCI World** captures large and mid-cap representation across 23 Developed Markets countries. With 1,645 constituents, the index covers approximately 85% of the free float-adjusted market capitalization in each country.
- **MSCI ACWI (All Country World Index) ex. U.S. Index** captures large and mid-cap representation across 22 of 23 Developed Markets countries (excluding the United States) and 23 Emerging Markets countries. With 1,859 constituents, the index covers approximately 85% of the global equity opportunity set outside the US.
- **MSCI ACWI (All Country World Index) ex. U.S. Small Cap Index** captures small cap representation across 22 of 23 Developed Markets countries (excluding the US) and 23 Emerging Markets countries. With 4,368 constituents, the index covers approximately 14% of the global equity opportunity set outside the US.
- **MSCI EAFE** is an equity index which captures large and mid-cap representation across Developed Markets countries around the world, excluding the US and Canada. With 930 constituents, the index covers approximately 85% of the free float-adjusted market capitalization in each country.



- **MSCI EAFE Value** captures large and mid-cap securities exhibiting overall value style characteristics across Developed Markets countries around the world, excluding the US and Canada. The value investment style characteristics for index construction are defined using three variables: book value to price, 12-month forward earnings to price and dividend yield. With 507 constituents, the index targets 50% coverage of the free float-adjusted market capitalization of the MSCI EAFE Index.
- **MSCI EAFE Growth** captures large and mid-cap securities exhibiting overall growth style characteristics across Developed Markets countries around the world, excluding the US and Canada. The growth investment style characteristics for index construction are defined using five variables: long-term forward EPS growth rate, short-term forward EPS growth rate, current internal growth rate and long-term historical EPS growth trend and long-term historical sales per share growth trend. With 542 constituents, the index targets 50% coverage of the free float-adjusted market capitalization of the MSCI EAFE Index.
- **MSCI Emerging Markets** captures large and mid-cap representation across 23 Emerging Markets countries. With 836 constituents, the index covers approximately 85% of the free-float adjusted market capitalization in each country.
- **Consumer Price Index** is a measure of prices paid by consumers for a market basket of consumer goods and services. The yearly (or monthly) growth rates represent the inflation rate.
- **FTSE NAREIT Equity REITs Index** contains all Equity REITs not designed as Timber REITs or Infrastructure REITs.
- **S&P Developed World Property** defines and measures the investable universe of publicly traded property companies domiciled in developed markets. The companies in the index are engaged in real estate related activities, such as property ownership, management, development, rental and investment.
- **S&P Developed World Property x U.S.** defines and measures the investable universe of publicly traded property companies domiciled in developed countries outside of the U.S. The companies included are engaged in real estate related activities, such as property ownership, management, development, rental and investment.
- **Fund Specific Broad Real Asset Benchmarks:**
 - **DWS Real Assets:** 30%: Dow Jones Brookfield Infrastructure Index, 30%: FTSE EPRA/NAREIT Developed Index, 15%: Bloomberg Commodity Index, 15%: S&P Global Natural Resources Index, 10%: U.S. Treasury Inflation Notes Total Return Index
 - **PIMCO Inflation Response Multi Asset Fund:** 45% Bloomberg U.S. TIPS, 20% Bloomberg Commodity Index, 15% JP Morgan Emerging Local Markets Plus, 10% Dow Jones Select REIT, 10% Bloomberg Gold Subindex Total Return
 - **Principal Diversified Real Assets:** 35% BBgBarc U.S. Treasury TIPS Index, 20% S&P Global Infrastructure Index NTR, 20% S&P Global Natural Resources Index NTR, 15% Bloomberg Commodity Index, and 10% FTSE EPRA/NAREIT Developed Index NTR
 - **Wellington Diversified Inflation H:** 50% MSCI ACWI Commodity Producers Index, 25% Bloomberg Commodity Index, and 25% Bloomberg Bloomberg US TIPS 1 – 10 Year Index
- **Bloomberg Commodity Index** is calculated on an excess return basis and reflects commodity futures price movements. The index rebalances annually weighted 2/3 by trading volume and 1/3 by world production and weight-caps are applied at the commodity, sector and group level for diversification.
- **HFRI Fund Weighted Composite Index** is a global, equal-weighted index of over 2,000 single-manager funds that report to HFR Database. Constituent funds report monthly net of all fees performance in US Dollar and have a minimum of \$50 Million under management or a twelve (12) month track record of active performance. The HFRI Fund Weighted Composite Index does not include Funds of Hedge Funds.
- **The Alerian MLP Index** is the leading gauge of energy Master Limited Partnerships (MLPs). The float adjusted, capitalization-weighted index, whose constituents represent approximately 85% of total float-adjusted market capitalization, is disseminated real-time on a price-return basis (AMZ) and on a total-return basis.
- **The Adjusted Alerian MLP Index** is commensurate with 65% of the monthly returns of the Alerian MLP Index to incorporate the effect of deferred tax liabilities incurred by MLP entities.
- **Cambridge Associates U.S. Private Equity Index** is based on data compiled from more than 1,200 institutional-quality buyout, growth equity, private equity energy, and mezzanine funds formed between 1986 and 2015.
- **Cambridge Associates U.S. Venture Capital Index** is based on data compiled from over 1,600 institutional-quality venture capital funds formed between 1986 and 2015.
- **Vanguard Spliced Bloomberg US1-5Yr Gov/Cr Flt Adj Index:** Bloomberg U.S. 1–5 Year Government/Credit Bond Index through December 31, 2009; Bloomberg U.S. 1–5 Year Government/Credit Float Adjusted Index thereafter.
- **Vanguard Spliced Bloomberg US5-10Yr Gov/Cr Flt Adj Index:** Bloomberg U.S. 5–10 Year Government/Credit Bond Index through December 31, 2009; Bloomberg U.S. 5–10 Year Government/Credit Float Adjusted Index thereafter.
- **Vanguard Spliced Bloomberg US Agg Flt Adj Index:** Bloomberg U.S. Aggregate Bond Index through December 31, 2009; Bloomberg U.S. Aggregate Float Adjusted Index thereafter.
- **Vanguard Spliced Bloomberg US Long Gov/Cr Flt Adj Index:** Bloomberg U.S. Long Government/Credit Bond Index through December 31, 2009; Bloomberg U.S. Long Government/Credit Float Adjusted Index thereafter.
- **Vanguard Balanced Composite Index:** Made up of two unmanaged benchmarks, weighted 60% Dow Jones U.S. Total Stock Market Index (formerly the Dow Jones Wilshire 5000 Index) and 40% Bloomberg U.S. Aggregate Bond Index through May 31, 2005; 60% MSCI US Broad Market Index and 40% Bloomberg U.S. Aggregate Bond Index through December 31, 2009; 60% MSCI US Broad Market Index and 40% Bloomberg U.S. Aggregate Float Adjusted Index through January 14, 2013; and 60% CRSP US Total Market Index and 40% Bloomberg U.S. Aggregate Float Adjusted Index thereafter.
- **Vanguard Spliced Intermediate-Term Tax-Exempt Index:** Bloomberg 1–15 Year Municipal Bond Index.
- **Vanguard Spliced Extended Market Index:** Dow Jones Wilshire 4500 Index through June 17, 2005; S&P Transitional Completion Index through September 16, 2005; S&P Completion Index thereafter.
- **Vanguard Spliced Value Index:** S&P 500 Value Index (formerly the S&P 500/Barra Value Index) through May 16, 2003; MSCI US Prime Market Value Index through April 16, 2013; CRSP US Large Cap Value Index thereafter.
- **Vanguard Spliced Large Cap Index:** Consists of MSCI US Prime Market 750 Index through January 30, 2013, and the CRSP US Large Cap Index thereafter.
- **Vanguard Spliced Growth Index:** S&P 500 Growth Index (formerly the S&P 500/Barra Growth Index) through May 16, 2003; MSCI US Prime Market Growth Index through April 16, 2013; CRSP US Large Cap Growth Index thereafter.
- **Vanguard Spliced Mid Cap Value Index:** MSCI US Mid Cap Value Index through April 16, 2013; CRSP US Mid Cap Value Index thereafter.
- **Vanguard Spliced Mid Cap Index:** S&P MidCap 400 Index through May 16, 2003; the MSCI US Mid Cap 450 Index through January 30, 2013; and the CRSP US Mid Cap Index thereafter.
- **Vanguard Spliced Mid Cap Growth Index:** MSCI US Mid Cap Growth Index through April 16, 2013; CRSP US Mid Cap Growth Index thereafter.
- **Vanguard Spliced Total Stock Market Index:** Dow Jones U.S. Total Stock Market Index (formerly known as the Dow Jones Wilshire 5000 Index) through April 22, 2005; MSCI US Broad Market Index through June 2, 2013; and CRSP US Total Market Index thereafter.
- **Vanguard Spliced Small Cap Value Index:** SmallCap 600 Value Index (formerly the S&P SmallCap 600/Barra Value Index) through May 16, 2003; MSCI US Small Cap Value Index through April 16, 2013; CRSP US Small Cap Value Index thereafter.



- **Vanguard Spliced Small Cap Index:** Russell 2000 Index through May 16, 2003; the MSCI US Small Cap 1750 Index through January 30, 2013; and the CRSP US Small Cap Index thereafter.
- **Vanguard Spliced Small Cap Growth Index:** S&P SmallCap 600 Growth Index (formerly the S&P SmallCap 600/Barra Value Index) through May 16, 2003; MSCI US Small Cap Growth Index through April 16, 2013; CRSP US Small Cap Growth Index thereafter.
- **Vanguard Spliced Total International Stock Index:** Consists of the Total International Composite Index through August 31, 2006; the MSCI EAFE + Emerging Markets Index through December 15, 2010; the MSCI AC USA IMI Index through June 2, 2013; and FTSE Global All Cap ex US Index thereafter. Benchmark returns are adjusted for withholding taxes.
- **Vanguard Spliced Developed Markets Index:** MSCI EAFE Index through May 28, 2013; FTSE Developed ex North America Index through December 20, 2015; FTSE Developed All Cap ex US Transition Index through May 31, 2016; FTSE Developed All Cap ex US Index thereafter. Benchmark returns are adjusted for withholding taxes.
- **Vanguard Spliced Emerging Markets Index:** Select Emerging Markets Index through August 23, 2006; MSCI Emerging Markets Index through January 9, 2013; FTSE Emerging Transition Index through June 27, 2013; FTSE Emerging Index through November 1, 2015; and FTSE Emerging Markets All Cap China A Transition Index thereafter. Benchmark returns are adjusted for withholding taxes.
- **Vanguard REIT Spliced Index:** MSCI US REIT Index adjusted to include a 2% cash position (Lipper Money Market Average) through April 30, 2009; MSCI US REIT Index through January 31, 2018; MSCI US Investable Market Real Estate 25/50 Transition Index through July 24, 2018; MSCI US Investable Market Real Estate 25/50 Index thereafter.

Additional:

- Equity sector returns are calculated by Russell and MSCI for domestic and international markets, respectively. MSCI sector definitions correspond to the MSCI GICS® classification (Global Industry Classification System); Russell uses its own sector and industry classifications.
- MSCI country returns are calculated by MSCI and are free float-adjusted market capitalization indices that are designed to measure equity market performance in each specific country.
- Currency returns are calculated using Bloomberg's historical spot rate indices and are calculated using the U.S. dollar as the base currency.
- The Index of Leading Economic Indicators, calculated by The Conference Board, is used as a barometer of economic activity over a range of three to six months. The index is used to determine the direction and stability of the economy. The composite index of leading indicators, which is derived from 10 leading indicators, helps to signal turning points in the economy and forecast economic cycles. The leading indicators are the following: average weekly hours, average weekly initial claims, manufacturers' new orders, both consumer and non-defense capital goods, vendor performance, building permits, stock prices, money supply (M2), the interest rate spread and the index of consumer expectations.
- S&P Target Date Indexes are constructed using a survey method of current target date investments with \$100 million or more in assets under management. Allocations for each vintage are comprised of exchange-traded funds that represent respective asset classes used in target date portfolios. The indexes are designed to represent a market consensus glide path.

DEFINITION OF KEY STATISTICS AND TERMS

- **Returns:** A percentage figure used when reporting historical average compounded rate of investment return. All returns are annualized if the period for which they are calculated exceeds one year.
- **Universe Comparison:** The universe compares the fund's returns to a group of other investment portfolios with similar investment strategies. The returns for the fund, the index and the universe percentiles are displayed. A percentile ranking of 1 is the best, while a percentile ranking of 100 is the worst. For example, a ranking of 50 indicates the fund outperformed half of the universe. A ranking of 25 indicates the fund was in the top 25% of the universe, outperforming 75%.
- **Returns In Up/Down Markets:** This measures how the fund performed in both up and down markets. The methodology is to segregate the performance for each time period into the quarters in which the market, as defined by the index, was positive and negative. Quarters with negative index returns are treated as down markets, and quarters with positive index returns are treated as up markets. Thus, in a 3 year or 12 quarter period, there might be 4 down quarters and 8 up quarters. A simple arithmetic average of returns is calculated for the fund and the index based on the up quarters. A simple arithmetic average of returns is calculated for the fund and the index based on the down quarters. The up market capture ratio is the ratio of the fund's return in up markets to the index. The down market capture ratio is the ratio of the fund's return in down markets to the index. Ideally, the fund would have a greater up market capture ratio than down market capture ratio.
- **Standard Deviation:** Standard deviation is a statistical measure of the range of performance within which the total returns of a fund fall. When a fund has a high standard deviation, the range of performance is very wide, meaning there is a greater volatility. Approximately 68% of the time, the total return of any given fund will differ from the average total return by no more than plus or minus the standard deviation figure. Ninety-five percent of the time, a fund's total return will be within a range of plus or minus two times the standard deviation from the average total return. If the quarterly or monthly returns are all the same the standard deviation will be zero. The more they vary from one another, the higher the standard deviation. Standard deviation can be misleading as a risk indicator for funds with high total returns because large positive deviations will increase the standard deviation without a corresponding increase in the risk of the fund. While positive volatility is welcome, negative is not.
- **R-Squared:** This reflects the percentage of a fund's movements that are explained by movements in its benchmark index. An R-squared of 100 means that all movements of a fund are completely explained by movements in the index. Conversely, a low R-squared indicates very few of the fund's movements are explained by movements in the benchmark index. R-squared can also be used to ascertain the significance of a particular beta. Generally, a higher R-squared will indicate a more reliable beta figure. If the R-squared is lower, then the beta is less relevant to the fund's performance. A measure of diversification, R-squared indicates the extent to which fluctuations in portfolio returns are explained by market. An R-squared = 0.70 implies that 70% of the fluctuation in a portfolio's return is explained by the fluctuation in the market. In this instance, overweighting or underweighting of industry groups or individual securities is responsible for 30% of the fund's movement.
- **Beta:** This is a measure of a fund's market risk. The beta of the market is 1.00. Accordingly, a fund with a 1.10 beta is expected to perform 10% better than the market in up markets and 10% worse than the market in down markets. It is important to note, however, a low fund beta does not imply the fund has a low level of volatility; rather, a low beta means only that the fund's market-related risk is low. Because beta analyzes the market risk of a fund by showing how responsive the fund is to the market, its usefulness depends on the degree to which the markets determine the fund's total risk (indicated by R-squared).
- **Alpha:** The Alpha is the nonsystematic return, or the return that can't be attributed to the market. It can be thought of as how the manager performed if the market's return was zero. A positive alpha implies the manager added value to the return of the portfolio over that of the market. A negative alpha implies the manager did not contribute any value over the performance of the market.
- **Sharpe Ratio:** The Sharpe ratio is the excess return per unit of total risk as measured by standard deviation. Higher numbers are better, indicating more return for the level of risk experienced. The ratio is a fund's return minus the risk-free rate of return (30-day T-Bill rate) divided by the fund's standard deviation. The higher the Sharpe ratio, the more reward you are receiving per unit of total risk. This measure can be used to rank the performance of mutual funds or other portfolios.
- **Treynor Ratio:** The Treynor ratio measures returns earned in excess of that which could have been earned on a riskless investment per each unit of market risk. The ratio relates excess return over the risk-free rate to the additional risk taken; however, systematic risk is used instead of total risk. The Treynor ratio is similar to the Sharpe ratio, except in the fact that it uses the beta to evaluate the returns rather than the standard deviation of portfolio returns. High values mean better return for risk taken.



- **Tracking Error:** Tracking error measures the volatility of the difference in annual returns between the manager and the index. This value is calculated by measuring the standard deviation of the difference between manager and index returns. For example, a tracking error of +/- 5 would mean there is about a 68% chance (1 standard deviation event) that the manager's returns will fall within +/- 5% of the benchmark's annual return.
- **Information Ratio:** The information ratio is a measure of the consistency of excess return. This value is determined by taking the annualized excess return over a benchmark (style benchmark by default) and dividing the standard deviation of excess return.
- **Consistency:** Consistency shows the percent of the periods the fund has beaten the index and the percent of the periods the index has beat the fund. A high average for the fund (e.g., over 50) is desirable, indicating the fund has beaten the index frequently.
- **Downside Risk:** Downside risk is a measure similar to standard deviation but focuses only on the negative movements of the return series. It is calculated by taking the standard deviation of the negative quarterly set of returns. The higher the factor, the riskier the product.
- **M-Squared:** M-squared, or the Modigliani risk-adjusted performance measure is used to characterize how well a portfolio's return rewards an investor for the amount of risk taken, relative to that of some benchmark portfolio and to the risk-free rate.

DEFINITION OF KEY PRIVATE EQUITY TERMS

- **PIC (Paid in Capital):** The amount of committed capital that has been transferred from the limited partner to the general partner.
- **TVPI (Total Value to Paid in Capital):** Money returned to limited partners plus the fund's unrealized investments, divided by money paid-in to the partnership. The TVPI should equal RVPI plus DPI.
- **DPI (Distribution to Paid In Capital):** Money returned (distributions) to limited partners divided by money paid in to the partnership. Also called cash-on-cash multiple.
- **RVPI (Residual Value to Paid In Capital):** The value of a fund's unrealized investments divided by money paid-in to the partnership.
- **Internal rate of return (IRR):** This is the most appropriate performance benchmark for private equity investments. It is a time-weighted return expressed as a percentage. IRR uses the present sum of cash drawdowns (money invested), the present value of distributions (money returned from investments) and the current value of unrealized investments and applies a discount.
- **Commitment:** Every investor in a private equity fund commits to investing a specified sum of money in the fund partnership over a specified period of time. The fund records this as the limited partnership's capital commitment. The sum of capital commitments is equal to the size of the fund.
- **Capital Distribution:** These are the returns that an investor in a private equity fund receives. It is the income and capital realized from investments less expenses and liabilities. Once a limited partner has had their cost of investment returned, further distributions are actual profit. The partnership agreement determines the timing of distributions to the limited partner. It will also determine how profits are divided among the limited partners and general partner.
- **Carried Interest:** The share of profits that the fund manager is due once it has returned the cost of investment to investors. Carried interest is normally expressed as a percentage of the total profits of the fund.
- **Co-Investment:** Co-Investments are minority investments made alongside a private equity investor in an LBO, a recapitalization, or an expansion capital transaction. It is a passive, non-controlling investment, as the private equity firm involved will typically exercise control and perform monitoring functions.
- **General Partner (GP):** This can refer to the top-ranking partners at a private equity firm as well as the firm managing the private equity fund.
- **GP Commitments:** It is normal practice for the GP managing a private equity fund to also make a financial commitment to the fund on the same basis as the LPs in the fund, and this is seen as an important factor driving the alignment of GP and LP interests. The historic benchmark for GP commitments has been 1% of the total fund size, but this is by no means universal, and many GPs commit significantly larger amounts. Furthermore, there has been a marked trend towards GPs making larger commitments to their funds over recent years.
- **Leveraged Buy-Out (LBO):** The acquisition of a company using debt and equity finance.
- **Limited Partner (LP):** Institutions or high-net-worth individuals/sophisticated investors that contribute capital to a private equity fund.
- **Public Market Equivalent (PME):** Performance measure used to evaluate performance relative to the market. It is calculated as the ratio of the discounted value of the LP's inflows divided by the discounted value of outflows, with the discounting performed using realized market returns.
- **Primaries:** An original investment vehicle that invests directly into a company or asset.

VALUATION POLICY

Fiducient Advisors does not engage an independent third-party pricing service to value securities. Our reports are generated using the security prices provided by custodians used by our clients. Our custodial pricing hierarchy is available upon request. If a client holds a security not reported by the first custodian within the hierarchy, the valuation is generated from the next custodian within the hierarchy, and so forth. Each custodian uses pricing services from outside vendors, where the vendors may generate nominally different prices. Therefore, this report can reflect minor valuation differences from those contained in a custodian's report. In rare instances where FA overrides a custodial price, prices are taken from Bloomberg.

REPORTING POLICY

This report is intended for the exclusive use of the client listed within the report. Content is privileged and confidential. Any dissemination or distribution is strictly prohibited. Information has been obtained from a variety of sources believed to be reliable though not independently verified. Any forecast represents median expectations and actual returns, volatilities and correlations will differ from forecasts. Please note each client has customized investment objectives and constraints and the investment strategy for each portfolio is based on a client-specific asset allocation model. Past performance does not indicate future performance and there is a possibility of a loss. Performance calculated net of investment fees. Certain portfolios presented may be gross of Fiducient Advisors' fees and actual performance would be reduced by investment advisory fees. This report does not represent a specific investment recommendation. Please consult with your advisor, attorney, and accountant, as appropriate, regarding specific advice.



Custodian reports are the reports that govern the account. There will be different account values between Fiducient Advisors' reports and the custodian reports based on whether the report utilizes trade date or date to calculate value. Additionally, difference between values contained on reports may be caused by different accrued income values. Any forecasts represent future expectations and actual returns, volatilities and will differ from forecasts. This report does not represent a specific investment recommendation. Please consult with your advisor, attorney, and accountant, as appropriate, regarding specific advice. Past performance does not indicate future performance and there is a possibility of a loss.

Manager performance for mutual funds and ETFs is based on NAV and provided by Lipper. Performance for non-mutual fund or ETF investments is based on the returns provided by managers, calculations based on a manager statement, or calculations based on a statement or data from the client's custodian. Unless specified otherwise, all returns are net of individual manager fees, represent total returns and are annualized for periods greater than one year. The deduction of fees produces a compounding effect that reduces the total rate of return over time. As an example, the effect of investment management fees on the total value of a client's portfolio assuming (a) quarterly fee assessment, (b) \$1,000,000 investment, (c) portfolio return of 8% a year, and (d) 0.50% annual investment advisory fee would be \$5,228 in the first year, and cumulative effects of \$30,342 over five years and \$73,826 over ten years. Additional information on advisory fees charged by Fiducient Advisors are described in Part 2 of the Form ADV.

MATERIAL RISKS & LIMITATIONS

Fixed Income securities are subject to interest rate risks, the risk of default and liquidity risk. U.S. investors exposed to non-U.S. fixed income may also be subject to currency risk and fluctuations.
-Liability Driven Investing (LDI) Assets

Cash may be subject to the loss of principal and over longer period of time may lose purchasing power due to inflation.
-Short Term Liquidity

Domestic Equity can be volatile. The rise or fall in prices take place for a number of reasons including, but not limited to changes to underlying company conditions, sector or industry factors, or other macro events. These may happen quickly and unpredictably.

International Equity can be volatile. The rise or fall in prices take place for a number of reasons including, but not limited to changes to underlying company conditions, sector or industry impacts, or other macro events. These may happen quickly and unpredictably. International equity allocations may also be impacted by currency and/or country specific risks which may result in lower liquidity in some markets.

Real Assets can be volatile and may include asset segments that may have greater volatility than investment in traditional equity securities. Such volatility could be influenced by a myriad of factors including, but not limited to overall market volatility, changes in interest rates, political and regulatory developments, or other exogenous events like weather or natural disaster.

Private Equity involves higher risk and is suitable only for sophisticated investors. Along with traditional equity market risks, private equity investments are also subject to higher fees, lower liquidity and the potential for leverage that may amplify volatility and/or the potential loss of capital.

Private Credit involves higher risk and is suitable only for sophisticated investors. These assets are subject to interest rate risks, the risk of default and limited liquidity. U.S. investors exposed to non-U.S. private credit may also be subject to currency risk and fluctuations.

Private Real Estate involves higher risk and is suitable only for sophisticated investors. Real estate assets can be volatile and may include unique risks to the asset class like leverage and/or industry, sector or geographical concentration. Declines in real estate value may take place for a number of reasons including, but are not limited to economic conditions, change in condition of the underlying property or defaults by the borrower.

Marketable Alternatives involves higher risk and is suitable only for sophisticated investors. Along with traditional market risks, marketable alternatives are also subject to higher fees, lower liquidity and the potential for leverage that may amplify volatility or the potential for loss of capital. Additionally, short selling involved certain risks including, but not limited to additional costs, and the potential for unlimited loss on certain short sale positions.

OTHER

By regulation, closed-end funds utilizing debt for leverage must report their interest expense, as well as their income tax expense, as part of their total expense ratio. To make for a useful comparison between closed-end funds and both open-end funds and exchange-traded funds, adjusted expense ratios excluding interest and income tax expenses are utilized for closed-end funds within this report. See disclosure on closed-end fund fact sheets for information regarding the total expense ratio of each closed-end fund.

Please advise us of any changes in your objectives or circumstances.

CUSTODIAN STATEMENTS

Please remember to review the periodic statements you receive from your custodian. If you do not receive periodic statements from your custodian or notice issues with the activity reported in those statements, please contact FA or your custodian immediately.