

Eastern Adams Regional Police Department



110 North Berlin Ave.
New Oxford, PA 17350
Chief Francis Staab

Fax: (717) 624-1487 Phone: (717) 624-1614 ext. 203

On Tuesday, August 16, 2016, the Eastern Adams Regional Police Commission awarded a professional services contract to Conrad Siegel Actuaries for Actuarial Services. The Commission determined that this applicant was the most qualified based on its level of experience, expertise in the field, compensation to be charged, and location.

CLARK HILL

Joseph C. Rudolf
Commission Solicitor
T 215.640.8410
F 215.640.8501
Email: JRudolf@ClarkHill.com

Clark Hill PLC
One Commerce Square
2005 Market Street
Suite 1000
Philadelphia, PA 19103
T 215.640.8500
F 215.640.8501
clarkhill.com

August 24, 2016

Jeffrey S. Myers
Conrad M. Siegel, Inc.
501 Corporate Circle
Harrisburg, PA 17110-5900

Re: Eastern Adams Regional Police Commission – Notice of Professional Services
Contract

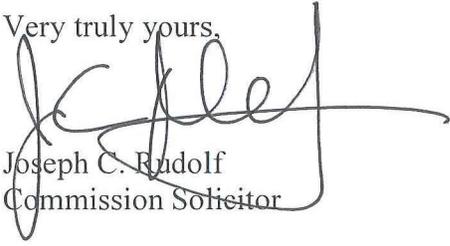
Dear Mr. Myers:

I am pleased to inform you that, on August 16, 2016, the Eastern Adams Regional Police Commission selected your firm to provide actuarial services starting in January 1, 2017. We look forward to working with you and offering your experienced services to our plan participants.

Under Act 44 of 2009, the Commission is required to provide notice of its decision to the unsuccessful candidates at least seven days prior to execution of an agreement with successful applicants. Those notices were delivered today.

I will be in touch with you shortly to discuss execution of your professional service agreement. At your earliest convenience, please send me a copy of your proposed engagement letter.

Very truly yours,


Joseph C. Rudolf
Commission Solicitor

JCR/rag

PROPOSAL for

Actuarial Services

Eastern Adams Regional Police Commission Pension Plan



name

Prepared by:

July 2016

date

Jeffrey S. Myers, F.S.A.
Consulting Actuary
jeffreymyers@conradseigel.com

501 Corporate Circle
Harrisburg, PA 17110

717-652-5633

717-540-9106

www.conradseigel.com



Conrad Siegel
ACTUARIES

501 Corporate Circle
P.O. Box 5900
Harrisburg, PA 17110

Table of Contents

Qualifications and Professional Staff.....3

Scope of Services6

Additional Services.....7

References.....8

Fee/Cost Information.....9

QUALIFICATIONS

& Professional Staff



Minimum Qualifications



Conrad Siegel Actuaries is an independently-owned firm based in Harrisburg for over 50 years. We work with hundreds of Pennsylvania municipalities and corporations. The municipal clients include boroughs, townships, regional police forces, and large Third Class Cities. Our formula for success is rooted in our actuarial expertise and our clients' satisfaction with the quality of service we provide.

Independent, Objective Advice

- Committed to providing objective, unbiased advice.
- Using sound actuarial principles.
- Ownership of firm is distributed approximately evenly among 18 consultants. We are organized as a Pennsylvania Corporation.

Proactive, Cost-Effective Solutions

- Continuously monitor actuarial assumptions and methods, taking into consideration current demographics and economic trends.
- Assessing funding strategies for both current and future years to provide you with the most cost-effective solutions to match your goals with your employees' needs.
- With 100 professionals, including over 20 actuaries, we are one of the 25 largest actuarial firms in the United States measured by number of actuaries on staff.
- Anticipating issues before they develop into problems.

Precision

- Timely and accurate reports.
- A professional staff that pays attention to the details for you.
- In-house legal counsel and compliance committee designed to ensure compliance with reporting requirements and plan operation.

Municipal Expertise

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

Our mission is to provide excellent, independent, professional actuarial consulting, employee benefit consulting, and employee benefit administration services to our clients.

Experience With Pennsylvania Municipal Retirement Plans

1. Actuaries and Actuarial Staff:

- a. Principal Actuary: Identify the principal actuary by name and give the year such actuary became an enrolled actuary under Section 3042 of the Employees' Retirement Income Security Act of 1974 and the number of years of experience with Pennsylvania municipal retirement plans. Also, indicate the number of Pennsylvania municipal retirement plans, and retirement plans in general, for which the principal actuary has primary client responsibility.



Conrad Siegel Actuaries has unmatched actuarial depth and experience. Our five fully-accredited Fellows of the Society of Actuaries have over 100 years of combined PA Municipal expertise. One of the advantages of working with **Conrad Siegel Actuaries** is that all services are provided from one office with no outside consultants.

The principal actuary assigned to this engagement will be Jeffrey S. Myers, F.S.A. Jeff became an Enrolled Actuary under ERISA in 1985. Jeff has over 30 years of experience with Pennsylvania municipal retirement plans. Jeff is the principal actuary with primary client responsibility for 63 retirement plans, 27 of which are municipal plans.

Ashley A. Wise, F.S.A., CERA. Ashley became an Enrolled Actuary under ERISA in 2012. Ashley has 10 years of experience with Pennsylvania municipal retirement plans. Ashley is the principal actuary with primary client responsibility for 9 municipal plans.

Both Jeff and Ashley are proficient in providing actuarial services under Act 205 and Act 600, including GASB 67/68 as well as providing special consulting expertise in preparing actuarial benefit cost studies, assistance with the collective bargaining process, providing testimony in Act 111 arbitrations, and the accounting for Other Post Employment Benefits (OPEB) under GASB 43, GASB 45, and GASB 75.

- b. Identify other actuaries employed by the actuarial consulting firm who are certified to perform actuarial services under Act 205 and the number of years of experience with Pennsylvania municipal retirement plans.

In addition to Jeffrey S. Myers, F.S.A. and Ashley A. Wise, F.S.A., CERA, the following actuaries are certified to perform actuarial services under Act 205:

- David H. Killick, F.S.A., has over 30 years of experience with Pennsylvania municipal retirement plans.
- Thomas L. Zimmerman, F.S.A., has over 30 years of experience with Pennsylvania municipal retirement plans.
- John D. Vargo, F.S.A., has over 20 years of experience with Pennsylvania municipal retirement plans.

QUALIFICATIONS

& Professional Staff



- c. Provide the total number of enrolled actuaries employed by the actuarial consulting firm.

Conrad Siegel Actuaries is proud to have one of the largest concentrations of enrolled actuaries in one location with 20 of our team members having attained the designation of enrolled actuary.

- d. Provide the number of actuarial support staff who perform actuarial calculations for Pennsylvania municipal retirement plans.

Conrad Siegel Actuaries has 20 professionals who provide actuarial support and actuarial calculations for Pennsylvania municipal retirement plans. Most of these individuals are enrolled actuaries or in the process of sitting for actuarial exams in order to become fully accredited actuaries.

2. Firm History and Operations

- a. For how many years has the firm been providing actuarial services?

We have been providing actuarial services since our inception in 1963.

- b. For how many years has the firm been providing actuarial services to Pennsylvania Municipal Retirement Plans?

We have been providing actuarial services to Pennsylvania Municipal Retirement Plans since our inception in 1963.

- c. For how many Pennsylvania Municipal Retirement Plans is your firm currently providing actuarial services?

We provide actuarial services to approximately 250 Pennsylvania municipal pension plans that are covered by Act 205.

- d. Please identify the location of the primary office that will provide services for the pension plans.

All services will be provided at our sole office in Harrisburg, Pennsylvania.

- e. Describe the ownership structure of the firm, including the relationships of each branch office to the branch offices and to the headquarters. Identify the individual or individuals who have overall responsibility for the firm's operations.

We have only one office. Ownership of the firm is distributed approximately evenly among 18 consultants. The operations of **Conrad Siegel Actuaries** are nearly entirely focused on retirement plan operations. The structure consists of the following:

- Board of Directors made up of the firm's partners
- Management Committee
- Five committees each of which are responsible for leading a specific line of business in the areas of defined benefit plans, defined contribution plans, investment advisory service, health and welfare plans, and postretirement medical benefits
- Three support committees in the areas of human resources, compliance, and information technology

- f. Please describe any material developments in the ownership structure of your organization over the past three years. Describe any planned material changes in your organization in detail.

There have been no material changes in the ownership structure of the firm. There are no future material changes expected.

- g. How many employees are located at the branch office that will be responsible for services under this proposal?

All 100 professionals employed by our firm work at our sole office located in Harrisburg, PA.

- h. If the client contact person is other than the actuary, please identify who will be the client contact person on the account?

The client contact will be the Consulting Actuary, Ashley A. Wise, F.S.A., CERA.

Regular Services



The successful actuarial firm will be required to perform the following actuarial services for the Pension Plan on an annual or biennial basis:

We enjoy an unparalleled reputation for providing quality service and prompt responses to our clients' inquiries. You will have one contact person—an experienced consulting actuary—who will provide you with personalized service and assist you with your day-to-day questions. While pension funding can be

a complicated issue, we have extensive experience in communicating difficult concepts to our clients in an understandable fashion. This level of communication is built on over 50 years of experience in consulting with Pennsylvania municipalities, ranging in size from one employee to hundreds of employees.

Conrad Siegel Actuaries combines knowledgeable staff and in-house systems personnel and technology to offer the following comprehensive actuarial services.

Services for Eastern Adams Regional Police Commission Pension Plan:

1. Prepare the actuarial valuation reports as of January 1 of each odd-numbered year, beginning January 1, 2017. The reports include benefit information on all members in the plans, as well as plan funding information. The valuation process should include a review of the actuarial assumptions as well as the plan's overall condition.
2. Prepare the Act 205 forms to be submitted to the Public Employee Retirement Commission every other year, beginning January 1, 2017.
3. Prepare annual benefit statements showing benefit information for each member of the plan beginning January 1, 2017.
4. Determine the minimum municipal obligation (MMO) required by Act 205 to be submitted by the Chief Administrative Officer to the governing body by September 30 of each year.
5. Assist the Township in determining pension benefits for retired and terminated members.
6. Provide assistance and attend meetings as requested by Departmental management and the Commission.

Additional Services

Conrad Siegel Actuaries is also able to perform many additional services for the Commission's plan upon request. The list below is a sample of what we can offer:

1. Inform the Commission of legislative and regulatory changes that may be applicable to the plans.
2. Provide actuarial studies for benefit cost estimates and additional actuarial services upon the request of the Commission.
3. Provide the necessary documentation or actuarial testimony during labor negotiations, and assist with arbitration if needed.
4. Prepare (or assist the solicitor in preparing) plan documents including amendments, Summary Plan Descriptions, and ordinances or resolutions as needed by the Commission.

References



Chief Mark Bentzel
Northern York County Regional Police
Address: 1445 E. Canal Road, Dover, PA 17315
Phone: (717) 292-3647
Email: mbentzel@nycrpd.org



Ms. Tracy Fleming
York Area Regional Police
Address: 33 Oak Street, York, PA 17402
Phone: (717) 747-0716
Email: tfleming@yapd.org



Mr. Norman Butts
Borough of Carlisle
Address: 53 W. South Street, Carlisle, PA 17013
Phone: (717) 249-4422
Email: nbutts@carlislepa.org



Mr. Brian Zimmerman
Swatara Township
Address: 599 Eisenhower Blvd, Harrisburg, PA 17111
Phone: (717) 564-2551
Email: bzimmerman@swataratwp.org



Mr. Dan Zimmerman
Northern Lancaster County Regional Police Department
Address: 860 Durlach Road, Stevens, PA 17578
Phone: (717) 626-8900
Email: dzimmerman@warwicktownship.org

FEE COST

Proposal



Please provide the following information regarding fees:

Regular Actuarial Services

Annual fee for Police Pension Plan:

	Odd- numbered Year	Even- numbered Year
	\$3,400	\$1,600

Since Act 205 only requires a full actuarial valuation report every two years, our fees are lower in the even-numbered years to reflect this difference in work.

The above fees will increase at about the rate of inflation after 2018.

Additional Services

Any other "Additional Services" will be billed based on time spent. We would be happy to provide you with a "not to exceed" fee quote for any of these services prior to the commencement of the work.

We are prepared to provide the GASB Nos. 67 and 68 required disclosures as may be requested from your auditor. We can provide a fee quote for these services upon your request.

ACT 44 DISCLOSURE FORM FOR ENTITIES PROVIDING PROFESSIONAL SERVICES TO THE EASTERN ADAMS REGIONAL POLICE COMMISSION PENSION PLAN

CHAPTER 7-A OF ACT 44 OF 2009 MANDATES the annual disclosure of certain information by every entity (hereinafter "Contractor") which is a party to a professional services contract with one or more of the pension funds of the above municipality (hereinafter the "Requesting Municipality"). Act 44 disclosure requirements apply to Contractors who provide professional pension services and receive payment of any kind from the Requesting Municipality's pension fund. **Conrad Siegel Actuaries** believes we fall under the requirements of Act 44 and therefore, we are submitting the attached disclosure form.

DEFINITIONS FOR DISCLOSURE

TERM	DEFINITION
CONTRACTOR	Any person, company, or other entity that receives payments, fees, or any other form of compensation from a municipal pension fund in exchange for rendering professional services for the benefit of the municipal pension fund.
SUBCONTRACTOR OR ADVISOR	Anyone who is paid a fee or receives compensation from a municipal pension system – directly or indirectly from or through a contractor.
AFFILIATED ENTITY	Any of the following: <ol style="list-style-type: none"> 1. A subsidiary or holding company of a lobbying firm or other business entity owned in whole or in part by a lobbying firm. 2. An organization recognized by the Internal Revenue Service as a tax-exempt organization under section 501(c) of the Internal Revenue Code of 1986 (Public Law 99-514, 26 U.S.C. § 501 (c)) established by a lobbyist or lobbying firm or an affiliated entity.
CONTRIBUTIONS	As defined in section 1621 of the act of June 3 rd , 1937 (P.L. 1333, No. 320), known as the Pennsylvania Election Code
POLITICAL COMMITTEE	As defined in section 1621 of the act of June 3 rd , 1937 (P.L. 1333, No. 320), known as the Pennsylvania Election Code
EXECUTIVE LEVEL EMPLOYEE	Any employee or person or the person's affiliated entity who: <ol style="list-style-type: none"> 1. Can affect or influence the outcome of the person's or affiliated entity's actions, policies, or decisions relating to pensions and the conduct of business with a municipality or a municipal pension system; or 2. Is directly involved in the implementation or development policies relating to pensions, investments, contracts or procurement or the conduct of business with a municipality or municipal pension system.
MUNICIPAL PENSION SYSTEM	Any qualifying pension plan, under Pennsylvania state law, for any municipality within the Commonwealth of Pennsylvania; includes the Pennsylvania Municipal Retirement System.
PROFESSIONAL SERVICES CONTRACT	A contract to which the municipal pension system is a party that is: (1) for the purchase of professional services including investment services, legal services, real estate services, and other consulting services; and, (2) not subject to a requirement that the lowest bid be accepted.

IDENTIFICATION OF CONTRACTORS & RELATED PERSONNEL

CONTRACTORS: (See “Definitions” – page 2) Any entity who currently provides service(s) by means of a Professional Services Contract to the Municipal Pension System of the Requesting Municipality, please complete all of the following:

Identify the Municipal Pension plan(s) for which you are providing information:

Eastern Adams Regional Police Commission Pension Plan

1. Please provide the names and titles of all individuals providing professional services to the Requesting Municipality’s pension plan(s) identified above. Also include the names and titles of any advisors and subcontractors of the Contractor, identifying them as such. After each name provide a description of the responsibilities of that person with regard to the professional services being provided to each designated pension plan.

The following individuals are all employees of Conrad Siegel *Actuaries* and provide actuarial or support services to our public sector clients. We do not hire any third-party advisors or subcontractors.

Andy J. Zheng
Ashley A. Wise
Brian N. Graff
Brian G. Stine
Bryttani J. Craigle
Cara N. Seidlich
Casey B. Krady

Cassie T. Saira
Charles A. Eberlin
Daniel S. Hollinger
David H. Killick
Gregory G. College
Jason D. Herr
Jay-David Bazzo

Jeffrey D. Boyer
Jeffrey S. Myers
John D. Vargo
Joshua R. Mayhue
Michael R. Hoyle
Thomas L. Zimmerman

2. Please list the name and title of any *Affiliated Entity* and their *Executive-level Employee(s)* that require disclosure; after each name, include a brief description of their duties. (See: Definitions)

N/A - Conrad Siegel *Actuaries* is not an *Affiliated Entity*.

3. Are any of the individuals named in Item 1 or Item 2 above, a current or former official or employee of the Requesting Municipality? IF “YES”, provide the name and of the person employed, their position with the municipality, and dates of employment.

No.

4. Are any of the individuals named in Item 1 or Item 2 above a current or former registered Federal or State lobbyist? IF “YES”, provide the name of the individual, specify whether they are a state or federal lobbyist, and the date of their most recent registration /renewal.

No.

NOTICE: All information provided for items 1- 4 above must be updated as changes occur.

5. Since December 17th 2009, has the *Contractor* or an *Affiliated Entity* paid compensation to or employed any third party intermediary, agent, or lobbyist that is to directly or indirectly communicate with an official or employee of the *Municipal Pension System* of the Requesting Municipality (OR), any municipal official or employee of the Requesting Municipality in connection with any transaction or investment involving the *Contractor* and the *Municipal Pension System* of the Requesting Municipality?

6. This question does not apply to an officer or employee of the *Contractor* who is acting within the scope of the firm's standard professional duties on behalf of the firm, including the actual provision of legal, accounting, engineering, real estate, or other professional advice, services, or assistance pursuant to the professional services contract with municipality's pension system. IF "YES", identify: (1) whom (the third party intermediary, agent, or lobbyist) was paid the compensation or employed by the *Contractor* or *Affiliated Entity*, (2) their specific duties to directly or indirectly communicate with an official or employee of the *Municipal Pension System* of the Requesting Municipality (OR), any municipal official or employee of the Requesting Municipality, (3) the official they communicated with, and (4) the dates of this service.

No. Conrad Siegel Actuaries does not pay or employ any third party individuals.

7. Within the past two years, has the *Contractor*, or any agent, officer, director or employee of the *Contractor* solicited a contribution to any municipal official or candidate for municipal office in the Requesting Municipality, or to the political party or political action committee of that official or candidate?

IF "YES", identify the agent, officer, director or employee who made the solicitation and the municipal officials, candidates, political party or political committee who were solicited (to whom the solicitation was made).

No.

8. Within the past two years, has the *Contractor* or an *Affiliated Entity* made any contributions to a municipal official or any candidate for municipal office in the Requesting Municipality?

IF "YES", provide the name and address of the person(s) making the contribution, the contributor's relationship to the *Contractor*, the name and office or position of the person receiving the contribution, the date of the contribution, and the amount of the contribution.

No.

9. Does the *Contractor* or an *Affiliated Entity* have any direct financial, commercial or business relationship with any official of the Requesting Municipality?

IF "YES", identify the individual with whom the relationship exists and give a detailed description of that relationship. A written letter is required from the Requesting Municipality acknowledging the relationship and consenting to its existence. The letter must be attached to this disclosure. Contact the Requesting Municipality to obtain this letter and attach it to this disclosure before submission.

No.

10. Has the *Contractor* or an *Affiliated Entity* given any gifts having more than a nominal value to any official, employee or fiduciary of the Requesting Municipality?

IF "YES", provide the name of the person conferring the gift, the person receiving the gift, the office or position of the person receiving the gift, specify what the gift was, and the date conferred.

No.

11. Disclosure of contributions to any political entity in the Commonwealth of Pennsylvania Applicability: A "yes" response is required and full disclosure is required ONLY WHEN ALL of the following applies:

- a) The contribution was made within the last 5 years
- b) The contribution was made by an officer, director, executive-level employee or owner of at least 5% of the *Contractor* or *Affiliated Entity*.
- c) The amount of the contribution was at least \$500 and in the form of:
 - 1. A single contribution by a person in (b) above, OR
 - 2. The aggregate of all contributions all persons in (b) above;
- d) The contribution was for:
 - 1. Any candidate for any public office or any person who holds an office in the Commonwealth of Pennsylvania;
 - 2. The political committee of a candidate for public office or any person that holds an office in the Commonwealth of Pennsylvania.

IF "YES", provide the name and address of the person(s) making the contribution, the contributor's relationship to the *Contractor*, the name and office or position of the person receiving the contribution (or the political entity / party receiving the contribution), the date of the contribution, and the amount of the contribution.

None.

12. With respect to your provision of professional services to the Municipal Pension System of the Requesting Municipality:

Are you aware of any apparent, potential or actual conflicts of interest with respect to any officer, director or employee of the *Contractor* and officials or employees of the Requesting Municipality?

NOTE: If, in the future, you become aware of any apparent, potential, or actual conflict of interest, you are expected to update this Disclosure Form immediately in writing by:

- Providing a brief synopsis of the conflict of interest (and);
- An explanation of the steps taken to address this apparent, potential, or actual conflict of interest.

IF "YES", Provide a detailed explanation of the circumstances which provide you with a basis to conclude that an apparent, potential, or actual conflict of interest may exist.

No, Conrad Siegel *Actuaries* is not aware of any conflict or potential conflict.

13. To the extent that you believe that Chapter 7-A of Act 44 of 2009 requires you to disclose any additional information beyond what has been requested above, please provide that information below or on a separate piece of paper.

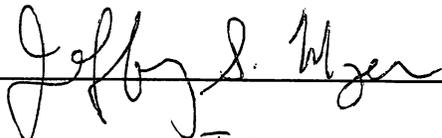
None.

VERIFICATION

I, Jeffrey S. Myers, hereby state that I am a Consulting Actuary for **Conrad Siegel Actuaries** and I am authorized to make this verification.

I hereby verify that the facts set forth in the foregoing Act 44 Disclosure Form for Entities Providing Professional Services to the Eastern Adams Regional Police Commission are true and correct to the best of my knowledge, information and belief. I also understand that knowingly making material misstatements or omissions in this form could subject the responding Contractor to the penalties in Section 705-A(e) of Act 44.

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



Signature
July 11, 2016

Date