

**Request for Proposal
For
Investment Advisory Services**

**Town of Weston Other Post Employment
Benefits (OPEB) Trust Fund**

The Town of Weston is seeking written proposals from qualified investment consultants to assist the Town's OPEB Board and Trustee in managing OPEB trust funds held for the benefit of the Town's municipal and school system retirees. The primary responsibility of the investment consultant selected is to advise the OPEB Board and Trustee in the investment strategy of the fund.

Firms that have expertise in advising municipalities or other public entities with regard to investment related services are encouraged to submit a proposal.

Scope of Services:

1. Assist in developing an investment policy statement
2. Ongoing review of adopted investment policy statement.
3. Fund performance management, analysis and reporting

Proposals are due September 12, 2008 and are to be submitted to Richard Darling, Finance Director, Town of Weston, 56 Norfield Road, Weston, CT 06883.

REQUEST FOR PROPOSAL FOR INVESTMENT ADVISORY SERVICES FOR MUNICIPAL OPEB TRUST

FIRM BACKGROUND

- A. Please provide the full name of your firm, the names of all officers and the address of the office that will serve the Town if your firm is selected.
- B. Please provide a brief history of your entity.
- C. Please provide a resume of the principal individual who will be responsible for servicing the OPEB Trust and any other individuals who would service the account, including licenses and/or certification.
- D. Please describe your firm's experience in providing investment consulting services to plans such as OPEB, public pension plans in general, foundations, or other trust funds.
- E. Please list the services provided to clients in a full-service consulting relationship. Indicate any services that may be considered the firm's areas of greatest expertise.
- F. Disclose formal or informal business relationships with actuaries, investment managers, or other service providers to pensions or OPEB Trust funds.
- G. Please disclose any complaints received by the Securities and Exchange Commission and the National Association of Securities Dealers concerning your firm. Has your firm been involved in litigation within the last 5 years or is there any pending litigation arising out of your firm's performance? If your answer is "yes", please explain fully.

OPERATIONS

- A. Please indicate the average number and size of accounts per team or advisor. Please indicate the largest number of accounts handled by one team or advisor.
- B. Please explain how the team dedicated to the Town trust fund would function including Primary Consultant(s), back-up, quality control and support services.
- C. Please indicate the turnover of professional staff, recent changes in ownership or senior management, consultants and personnel dedicated to consulting services.
- D. Please include a statement indicating whether your firm will be able to provide quarterly reports within 30 calendar days of the quarter-end.
- E. Please list other services offered by your firm other than investment consulting. Please indicate whether your firm or an affiliate manages money for clients.
- F. Include other client relationships that may inhibit or enhance the services your firm would provide to the Trustees.
- G. Please indicate whether the entity sells or brokers investment vehicles.

INVESTMENT ANALYSIS APPROACH

- A. Please outline the entity's process for the development of the client's overall investment policy as well as an investment policy for specific asset classes. Provide an outline of issues and items that would be covered in a typical policy statement.
- B. Please describe the firm's capabilities with regard to debt and equity markets, as well as overall asset/liability modeling. What asset classes are included in your work?
- C. Please define the entity's investment style analysis. Please provide any relevant sample portfolio risk allocation recommendations.
- D. Please describe how benchmarks are chosen or developed and how performance is compared to similar portfolios. Please indicate whether your firm can provide customized benchmarks.
- E. Attachment 1 identifies the annual required contribution into the OPEB fund over the next 10 years as calculated by the Town's actuarial firm. Using these estimated cash flows and your recommended investment approach, please provide projected results for the Trust Fund at the end of each of the next 10 years.

CLIENTS

- A. Please provide a list of municipalities and/or state agencies with which your firm has served as an investment advisor or advisor within the last three years. Please include the name of the appropriate contact person and that person's phone number.
- B. Please provide the names and asset values of any clients who have terminated services in the last three years.
- C. Please disclose types of income received by your firm related to investment consulting.

REPORTS

- A. Please provide copies of client reports, preferably reports generated for municipal clients, which are representative of the reports customarily supplied to municipal clients, including monthly, quarterly and year-end reports.
- B. Please provide a listing of reports routinely supplied to clients, or available to clients at their request. Please indicate the timing with which these reports are provided to clients (i.e. how long after the end of each quarter is a report mailed).
- C. Please provide a description of any electronic capabilities that your firm has.

MISCELLANEOUS

- A. Please indicate any special knowledge your firm has of the investment or funding issues affecting post employment benefit systems.
- B. Please list any services or attributes not mentioned in this Request for Proposal.
- C. Why is your firm uniquely qualified to service our account?

FEE STRUCTURE

- A. Please describe the proposed fee structure for the services your firm will provide to the OPEB Board. Provide separate proposed fees for each separate service listed in paragraph 2 – Scope of Services.

The Board will consider a performance based incentive arrangement relative to established benchmarks for all or part of the fee structure.

Provide fee proposal assuming an award of services OPEB Trust Funds.

- B. Please describe all other fees or expenses, including, but not limited to, fees for administration, recordkeeping, reports, mailing expenses, travel and any other fee not mentioned.
- C. Please describe any other fees your firm might receive as a result of the services you provide to the Town that would be paid by a source other than the Town.

TOWN OF WESTON, CT

OPEB TRUST FUNDING PLAN

\$1.1 million down payment FY 2008-09

	<u>FISCAL YEAR</u>									
	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>
Unfunded Accrued Liability	11,063,400									
Less: \$1.1 million down payment	(1,100,000)									
Adjusted Unfunded Accrued Liability	9,963,400	9,492,400	9,086,100	8,647,200	8,057,800	7,289,200	6,303,000	5,201,800	3,941,200	2,599,000
Annual Required Contribution	1,620,700	1,690,800	1,763,300	1,838,200	1,914,900	1,992,900	2,070,600	2,144,900	2,207,600	2,226,700
Expected Benefit Payouts	1,149,700	1,284,500	1,324,400	1,248,800	1,146,300	1,006,700	969,400	884,300	865,400	898,400
Net Budget Impact	471,000	406,300	438,900	589,400	768,600	986,200	1,101,200	1,260,600	1,342,200	1,328,300
Tentative Trust Contribution Toward Net Budget Impact First Five Years	534,840	534,840	534,840	534,840	534,840	TBD	TBD	TBD	TBD	TBD

* TBD - Funding to be determined.