

**PENSION FUND CONSULTING SERVICES  
REQUEST FOR PROPOSAL (RFP)  
CITY OF CREVE COEUR EMPLOYEE PENSION PLAN**

The City of Creve Coeur is evaluating consultants who can work with the City's Employee Pension Board to help manage the pension fund for the benefit of city employees, including our police department.

**General Information**

The Creve Coeur Employee Pension Board of Trustees is responsible for overseeing the defined benefit pension funds for a portion of the Creve Coeur employees. The Board has seven voting members comprised of five citizens and two employee members. The citizens include a representative from the Finance Committee, a City Council member and three other citizens. Hereafter the term "Board" shall mean all members of the Board.

The pension fund balance totals approximately \$25 Million in assets. Currently, the funds are managed with an asset allocation of 70% equity and 30% fixed income. A current investment policy has been included. Annual contributions are approximately \$1.4 million and distributions are approximately \$2 million.

The Commerce Trust is the current investment manager, custodian and paying agent for the fixed income investments. Fiduciary Advisors is the current consultant and investment manager for the equity investments.

This Plan is a "Closed Plan", meaning only full-time employees hired before June 1, 2006 are eligible to participate in this Plan. As of the last actuarial report, the plan includes 36 Active Participants, 81 Retired Participants and 29 Terminated Vest Participants for a total of 146 Members. For more information on the Plan, the actuarial report can be found on the City's website (<http://www.creve-coeur.org/1032/Retirement-Plans>).

In preparing this RFP, we have developed a list of criteria and functions for an investment consultant. The City seeks proposals from firms who meet these criteria and offer the services outlined below. The Board plans to review the proposals and invite a small number (3-5) to participate in interviews. The RFP process will begin on May 1, 2020 and proposals will be due by 2:00 p.m. May 21, 2020.

**Criteria**

- Independent – not benefiting from any specific type of investment more than another.
- Core business needs to be consulting and/or investment management services.
- Knowledgeable, deep research in all asset classes and investment services.
- Strong consultant to interact with committee, plus team of support (not overly reliant on one consultant)
- Ability to process pension payments or coordinate with an outside processor.
- Previous experience working with governmental defined benefit pension plans.
- Provide both hard copies (10) and a digital version of the RFP.

**Core functions**

- Help us to develop and maintain our investment policy statement.
- Plan asset allocations annually and monitor regularly to keep us on track.

- Recommend modification if there are significant changes in markets and bring to our attention any need or concern for changes.
- Provide research and recommendations for investments in each asset class.
- Follow recommended investments closely and meet with the Pension Board quarterly in person, monthly or as needed by phone.
- Provide monthly reporting of portfolio performance and statements.
- Work with our City staff to provide guidance in sourcing funds, opening new accounts, as well as tracking liquidity of investments for pension payments.
- Work with investment managers, funds and custodians to insure timely reporting of year-end financials as well as quarterly updates.

**Profile of your Company**

1. Describe your firm’s core mission, vision and values.
2. Provide a summary of your firm. Include the location of your organization’s headquarters and other offices, number of employees, depth of professional and support staff, % of revenues generated from consulting services.
3. Provide a short description and approximate size (smallest, average, largest), of clients with municipal plans, and/or pension plans and number of clients for which you provide investment consulting services within this space and overall.
4. Is your firm, its parent or affiliate a broker/dealer?
5. Where are client’s assets held in custody? Are all these assets managed?
6. Provide biographies of key individuals in your firm. Include information on education, employment history, home office location and number of years with the firm.
7. Describe your firm’s current succession plan.
8. Provide information on your firm’s service model and the professionals who would service our relationship.
9. Describe your firm’s compensation arrangement for professional staff. Describe any circumstances under which your firm or any consultant in your firm receives compensation for finder’s fees by investment managers.
10. Provide copies of your conflict of interest and code of conduct policies.
11. Please describe the financial condition of your firm, parent, or affiliate. Within the past five years, have there been any changes in ownership or restructuring? If anticipated, describe any future, significant changes in your firm.
12. Describe the firm’s commitment to expenditures on its consulting division.

13. Is your firm a registered investment advisor under the Investment Advisors Act of 1940? (If so, please provide latest Forms ADV I and II). Can your firm provide fiduciary services to its clients?

14. Has your organization, officer or principal been involved with any business litigation or other legal proceedings relating to your consulting activities? Current status or disposition? Any negative press or Social Media issues?

15. Please describe the levels of coverage for errors and omissions and other fiduciary or professional liability insurance carried by your firm.

### **Scope of Consulting Services**

1. Does your firm have an investment committee? If so, who is on it?

2. Please provide your firm's investment philosophy.

3. Describe the process you will use to help the Pension Board achieve the following:

- a. An appropriate strategic asset allocation strategy
- b. A sound governance structure
- c. Appropriate investment policy statements with clear objectives
- d. Disciplined rebalancing
- e. Tactical asset allocation changes

4. Describe the firm's capabilities and approach regarding alternative investments, specifically hedge funds and non-marketable alternative investments and private equity.

5. Explain your philosophy toward utilizing index funds and ETFs vs. active management.

6. What is your process for assessing risk in any portfolio?

7. Have you made tactical asset allocation changes in the past 3 years? If so, describe.

### **Research Capabilities and Manager Searches within your database**

1. Provide a general description of your research department. If no separate department exists, describe how this function is performed.

2. What asset classes do you actively follow? How many have been added or subtracted in recent years? Please provide performance by asset class.

3. How many analysts employed by your organization are responsible for investment manager research?

4. Provide a detailed description of your firm's manager evaluation process. How many investment managers do you currently track? What criteria are important to you?

5. Describe the process you will use to conduct manager searches for our fund.

6. Describe the circumstances under which you would terminate an investment manager. How many have you terminated in the past 3 years? Please describe reasons for each.

### **Monitoring and Measuring Performance**

1. Do you utilize model portfolios? What has the composite performance of your client portfolios been over the past one, three and five year periods? How have your client's portfolios performed in relation to their blended benchmarks and peer groups? Do you have access to peer group performance data? Is your performance measurement GIPS compliant? What percentage of your clients are discretionary vs non-discretionary?

2. How is a portfolio's performance measured? How is it audited? Describe your firm's philosophy and approach regarding the use of benchmarks. How do you determine the appropriate benchmark? How is a manager's performance measured against the benchmark and its peers? Do you suggest using a blended benchmark for portfolio measurement purposes?

3. Based upon our current Investment Policy, what asset allocation would you recommend for the Creve Coeur Pension? What managers would you recommend? What would their costs be? How have these managers performed on an absolute and risk adjusted basis? How much risk is there in your recommended portfolio vs our current portfolio?

4. Would you recommend any changes to our current Investment Policy Statement?

5. Describe the performance measurement software your firm uses. Is this software proprietary, or does your firm utilize the software of an outside vendor? If your firm uses non-proprietary software, do you have the ability to influence changes to the software to meet the demands of the marketplace?

6. How soon after the quarter-end are your reports available? Please provide a comprehensive client quarterly report.

### **Miscellaneous**

1. Describe how a new client would transition to your services including cost basis and performance data?

2. Describe disaster recovery plans and other contingency plans that are in place for potential interruptions.

3. Describe three aspects of your firm that distinguish it from competitors.

4. Provide a representative client list plus five retirement plan references, including at least three government plan references, contact information and plan summaries.
5. What services does your firm provide for the education of the Pension Board members?
6. How many clients have you lost in the last 3 years and please indicate the reasons why they left.
7. What ESG initiatives or policies has your organizations implemented or considering?
8. What client data and security initiatives have you implemented to safeguard our data and access to accounts?

#### **Fees and Fee Structure**

Please provide a detailed outline of your fee structure for all services contained in your proposal, including consulting. In addition, please, distinguish between fixed fees and asset-based fees. Comment on all fees, including potential fees associated with different investment solutions, management, asset based, hidden fees, trading, etc.

#### **Contact for Questions and Submission**

Questions should be directed to Lori Obermoeller, Director of Finance, contact information is provided below.

Please direct proposals both by email and hard copy marked "RFP-Pension Fund Consulting Service" to:

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