

REQUEST FOR PROPOSAL
CITY OF SPOKANE
LOCAL 29 VOYA PLAN
DEFINED CONTRIBUTION 457 PLAN
INVESTMENT CONSULTING SERVICES

- 1. We understand that the Plan does not currently have a Consultant and that this is a new engagement. Can you please advise what prompted a search to be done at this time?**

In 2009, the City transitioned to a single record-keeper plan available to all employees, that was administered by ICMA-RC. During the transition, IAFF Local 29 negotiated into their bargaining unit contract that the Voya (previously ING) plan would remain available to its members. The City provided oversight of the ICMA-RC plan and Local 29 provided oversight of the Voya plan. After nearly a decade of separate oversight, the governance practices of the two plans drifted apart. The City and Local 29 agreed that it would be in the best interest of the members to align the governance of the two plans based on best practices. Doing so included the creation of a new oversight committee whose charter was approved by City Council in August 2019. The RFP for an investment consultant is one of the first items of business undertaken by the committee as it moves to improve the Voya plan's governance.

- 2. Has the Committee used a consultant on a project basis for the Local 29 Voya Plan in the past? If so, whose has the Committee worked with in the past? Are they invited to respond to this RFP?**

This committee has not engaged a consultant on a project basis.

- 3. Does the same body (Board and/or Investment Committee) that currently oversees the city's other 457 Plan oversee The Local 29 Voya Plan as well?**

The Voya plan and ICMA-RC plan oversight committees are independent of each other.

- 4. Is there any overlap in personnel between the Board and/or Investment Committee that oversees the City's pension plan (SERS) and the Local 29 Voya Plan?**

Four of the nine members of the Voya plan committee also serve on the ICMA-RC plan committee. The overlapping members are named to the committee based on their position:

- a. The Retirement Department Director or departmental representative;
- b. The Finance Department Director or departmental representative;
- c. The Human Resources Department Director or departmental representative;
- d. The Legal Department Director or departmental representative;

5. Does the City's other 457 Plan currently use the services of an investment consultant? If so, who does the City work with? Are they invited to respond to this RFP?

The ICMA-RC plan has engaged the Hyas Group as its investment consultant. They have been invited to respond to this RFP.

6. Can you please provide the current Investment Policy Statement and Summary Plan Description (or any similar summary documentation describing your Plan that is provided to participants)?

The committee has not yet developed an Investment Policy Statement. The committee expects to ask the investment consultant to provide feedback during the development process.

Participants are provided Voya's standard enrollment packet during their new hire orientation.

7. Who is currently working with participants?

The current contract with Voya includes the use of a local investment advisor to work with participants. This service is provided by Stephen Gray and Payton Gray of Purpose Financial Advisors, LLC.

8. How many meetings per year should the hired investment consultant expect to attend? Is the meeting schedule for 2019/2020 available? If so, can you please provide it?

The committee plans to meet quarterly with the consultant. There is not currently a fixed schedule for these meetings. Based on the City's budget cycle, we expect the engagement to formally start on January 1, 2020 with the first meeting to occur in the first quarter of 2020.

9. Has the committee conducted a target date fund review, fee benchmarking review, and an investment menu review? If so, when were these reviews last completed?

The committee has not conducted any of these reviews. It is anticipated that these reviews would be conducted during the engagement.

10. Can you please advise as to the expected contract duration?

The committee anticipates awarding a five-year contract.

11. When was the last time the Committee issued an RFP for recordkeeping services for this Plan?

The committee has not issued an RFP for recordkeeping services for the Voya Plan. Voya is named as the record keeper in bargaining unit agreements with Local 29. It is not anticipated that an RFP for recordkeeping will occur during this engagement.

The committee is reviewing the option for eligible members of this plan to enroll in the Washington State Department of Retirement Systems' Deferred Compensation Program (<https://www.drs.wa.gov/dcp/dcp.htm>). This option would be an alternative to the Voya plan.

12. What is the current funding model for this Plan?

The Plan is currently using a revenue sharing model. However, the recordkeeping contract with Voya is up for renewal in 2020. The committee has requested pricing options for both a revenue sharing model and a direct administrative fee to participants model.

13. Can you please advise how many full-time employees are dedicated to working on this Plan?

None. The City's 457 plans are administered by the Retirement Department. All employees that work directly on the Voya plan also have responsibilities for the ICMA-RC plan and Spokane Employees' Retirement System (SERS).

14. On page 4 of the RFP, Section III.4 (under Clients section; References), the RFP asks to include *governmental defined benefit* plans as a reference, to the extent possible. Can you confirm you are actually looking for *governmental defined contribution* plans here?

References should be for governmental defined contribution plans.

15. Please provide the following documents: Minutes of the previous four quarterly 457 plan investment meetings and the previous two quarters of investment performance reports.

The committee was formally created in August 2019 and has not yet conducted any quarterly investment meetings. The first quarterly meeting is anticipated to occur in the first quarter of 2020.

16. Please indicate the make-up of the evaluation committee— not necessarily by names, but by positions in which departments.

The full committee will evaluate the responses. The committee is composed of:

- a. The Retirement Department Director or departmental representative;
- b. The Finance Department Director or departmental representative;
- c. The Human Resources Department Director or departmental representative;
- d. The Legal Department Director or departmental representative;
- e. Four members representing Local 29.
- f. The ninth member will be an independent Committee member who is not a City employee and is a member of the community. The other Committee members will select this ninth member by formal vote, and this member will serve a three-year renewable term. (This position is currently vacant)

17. What is the City's budget for the scope of work being requested in this RFP?

There is not a specific budget for this engagement. Fees will be evaluated for value relative to other respondents, to the ICMA-RC plan's scope of work, and to industry benchmarking studies (e.g. NAGDCA)

18. Similarly, *Part b.* of the above mentioned question asks if bidders give "SERS permission to contact other clients..." In lieu should this read as "the City"?

This should read as the Voya 457 Committee.

19. Regarding *Section VI. FEES*, would the City prefer that proposers include travel in the retainer fee, or provide travel costs separately?

No preference. Fees proposals will be evaluated on a total cost basis over the life of the contract.

20. What are you looking for in a consultant and what are the biggest challenges you are trying to overcome?

As the plan adopts best practices in governance, this is an opportunity for the plan to provide better outcomes for participants. The committee anticipates that a number of changes will be recommended and views this as an opportunity to bypass small incremental changes and instead provide a significant, meaningful evolution of the plan to best in class. The ideal consultant will be excited to recommend blue sky solutions and provide guidance as we deploy these potentially radical changes.