

SUMMARY OF AWARD NOTICE

NEW HANOVER TOWNSHIP

Proposal For: Pension Plan Investment Manager and Administrator

Services Provided For: Act 600 Defined Benefit Plan and Non-Uniformed Defined Benefit Plan and Defined Contribution Plan

The purpose of this notice is to formally declare that after careful consideration of all information presented, a detailed review and analysis process, and the narrowing of a very competitive field of highly qualified applicants, the New Hanover Township Board of Supervisors wishes to announce the selection as the most qualified applicant and designation as the tentative selectee for Award of the Professional Pension Services Contract to:

UNIVEST MUNICIPAL PENSION SERVICES

Briefly stated, the Board of Supervisors designated a committee to review all applications and conduct interviews of five (5) finalists. The ratings of the finalists were conveyed to the Board of Supervisors for a determination. The Board of Supervisors ultimately determined that Univest Municipal Pension Services offers the Township the most robust pension administration and actuarial services among the finalists, including personnel with prior experience working in the Department of the Auditor General, together with an investment management philosophy that recognizes the Township's present investment position. The quoted service fee is a flat fee which is easier to understand and enforce than many of the other applicants, and the team approach offered by Univest appears to ensure that the Township will receive greater value compared to the fees quoted by other applicants.

A copy of the Application and Act 44 Required Disclosure Statement of Univest Municipal Pension Services is attached

Gregory Prowant
Interim Township Manager

PART C: ACT 44 STANDARD DISCLOSURE FORM

NEW HANOVER TOWNSHIP, PENNSYLVANIA

LIST OF MUNICIPAL OFFICIALS & EMPLOYEES OF THE REQUESTING MUNICIPAL ENTITY

APPLICANTS: Certain questions on this Disclosure Form will refer to a "*List of Municipal Officials.*" To assist you in preparing your answers, you should consider the following names to be a complete list of pension system and municipal officials and relevant employees.

MUNICIPALITY: Enter below, a list of municipal officials that have any involvement in the administration or management of the pension system - Elected Officials, Appointed Officials and Employees, Board Members, or other Pension

Committee Members (if applicable). Do not include employees that are not in a management position or do not serve on a pension committee or in a decision-making position relative to this pension system. If a category listed below is not applicable, so state.

Elected Officials			
Name:	Title:	Name:	Title:
Phil Agliano	Board of Supervisors		
Andrew Kelly	Board of Supervisors		
Ralph Fluharty	Board of Supervisors		
Charles Garner	Board of Supervisors		
Marie Livelsberger	Board of Supervisors		
Employees or Appointed Officials:			
Name:	Title:	Name:	Title:
Kaleena Agliano	Finance Officer		
Andrew J. Bellwoar	Solicitor		
Eric M. Brown	Solicitor		
Other: Pension Committee Members (if applicable) (not listed above):			
Name:	Title:	Name:	Title:

APPLICANT STANDARD DISCLOSURE QUESTIONS

APPLICANT INSTRUCTIONS: In accordance with Chapter 7-A of Act 44, 2009, ALL applicants responding to this RFP must complete the following Standard Disclosure Form Questions.

3. Initial each question (except Q1:) to provide your response in the space provided to the right of each question.

4. **THEN:** provide explanations for all "*Yes*" or "*Applies*" responses **AND**, the information requested in Q1: (mandatory), on a separate sheet(s) of paper with the question you are responding to clearly noted. Attach your response sheet to this Disclosure Form.

DISCLOSURE QUESTIONS

RESPONSES

Questions	<p>If your answer is "Yes" or "Applies" --- Please provide this information as instructed above</p>	Initial Here for: "Yes" or "Applies"	Initial Here: for: "No" or "Does not Apply"
<p>Q1. Please provide the names and titles of all individuals who will be providing professional services to the Requesting Municipal entity's pension plan(s) identified. Also include the names and titles of advisors and subcontractors of the Contractor, identifying them as such. After each name provide a brief description of the responsibilities of that person with regard to the professional services being provided.</p>	<p>**ALL Applicants: Provide all information as stated in the question on a separate page and attach it to this disclosure.</p>	NA	NA
<p>Q2. Please list the name and title of any <i>Affiliated Entity</i> and their <i>Executive-level Employee(s)</i> that require disclosure; after each name, include a brief description of their duties. (See: Definitions)</p>	<p>Provide all information as stated in the question.</p>	SEE ATTACHED SHEET	
<p>Q3. Are any of the individuals named in Question #1 or #2 above, a current or former official or employee of the Requesting Municipal entity?</p>	<p>IF "YES", provide the name and of the person employed, their position with the municipality, and dates of employment.</p>		MSJ
<p>Q4. Are any of the individuals named in Question #1 or #2 above, a current or former registered Federal or State lobbyist?</p>	<p>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.</p>		MSJ
<p>Q5. Disclose the terms of employment / compensation of any third party intermediary, agent, or lobbyist that is to directly or indirectly communicate with an official or employee of the <i>Municipal Pension System</i> of the Requesting Municipal entity (OR), any municipal official or employee of the Requesting Municipal entity in connection with any transaction or investment involving <i>the Applicant (or an Affiliated Entity)</i> and the <i>Municipal Pension System</i> of the Requesting Municipality?</p> <p><u>This question does not apply</u> to an officer or employee of the <i>Applicant</i> who is acting within the scope of the firm's standard professional duties on behalf of the firm, pursuant to the professional services contract with municipality's pension system.</p>	<p>IF "YES", identify:</p> <ol style="list-style-type: none"> (1) (the third party intermediary, agent, or lobbyist) whom will be paid the compensation or employed by the <i>Applicant</i> or <i>Affiliated Entity</i>, (2) their specific duties to directly or indirectly communicate with an official or employee of the <i>Municipal Pension System</i> of the Requesting Municipality (OR), any municipal official or employee of the Requesting Municipality, and (3) The official they will communicate with. 		MSJ
<p>Q6. Since December 17th 2009, has the Applicant, or any agent, officer, director or employee of the Applicant solicited a contribution to any municipal officer or candidate for municipal office in the Requesting Municipal entity, or to the political party or political action committee of that official or candidate?</p>	<p>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).</p>		MSJ

DISCLOSURE QUESTIONS (CONTINUED)

Questions		If your answer is "Yes" or "Applies" Please provide this information as instructed above		RESPONSES	
		Initial Here for: ("Yes" or "Applies"	Initial Here: for: "No" or "Does not Apply"		
<p>Q7. In the past 2 years: Has the <i>Applicant</i> or an <i>Affiliated Entity</i> made any contributions to a municipal official or any candidate for municipal office in the Requesting Municipal entity?</p>	<p>IF "YES", provide the name and address of the person(s) making the contribution, the contributor's relationship to the Applicant, the name and office or position of the person receiving the contribution, the date of the contribution, and the amount of the contribution.</p>		<p>Yes</p>		
<p>Q8. Does the <i>Applicant</i> or an <i>Affiliated Entity</i> have any direct financial, commercial or business relationship with any official identified on the <i>List of Municipal Officials</i>, of the Requesting Municipal entity)?</p>	<p>IF "YES", identify the individual with whom the relationship exists and give a detailed description of that relationship.</p>		<p>Yes</p>		
<p>Q9. Since December 17th 2009: Has the <i>Applicant</i> or an <i>Affiliated Entity</i> given any gifts having more than a nominal value to any official, employee or fiduciary – specifically, those on the <i>List of Municipal Officials</i> of the Requesting Municipal entity?</p>	<p>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.</p>		<p>Yes</p>		
<p>Q10. Disclosure of contributions to any political entity in the Commonwealth of Pennsylvania. Applicability: A "yes" response is required and full disclosure is required <u>ONLY WHEN ALL</u> of the following applies;</p> <p>(1) The contribution was made within the last 5 years (2) The contribution was made by an officer, director, executive-level employee or owner of at least 5% of the <i>Applicant</i> or <i>Affiliated Entity</i> (3) The amount of the contribution was at least \$500 and in the form of: A single contribution by a person in (2) above <u>OR</u>, the aggregate of all contributions by all persons in (2) above; (4) The contribution was made to: A candidate for any public office in the Commonwealth or any person who holds that office <u>OR</u>: A political committee of a candidate for public office in the Commonwealth or of an individual that holds that office.</p>	<p>IF "YES", provide the name and address of the person(s) making the contribution, the contributor's relationship to the <i>Applicant</i>, 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.</p>		<p>Yes</p>		
<p>Q11. With respect to your provision of professional services to the Municipal Pension System of the Requesting Municipal entity: Are you aware of any apparent, potential or actual conflicts of interest with respect to any officer, director or employee of the <i>Applicant</i> (includes: subcontractors, advisors, or any <i>Affiliated Entity</i> of or for the Applicant), and any of the officials or employees of the Requesting Municipality?</p>	<p>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.</p>		<p>Yes</p>		
<p>Q12. Former Employment- to your knowledge, is anyone now employed by your firm that was employed by the Requesting Municipal entity within the past one year- <u>OR</u>- is there anyone listed in the <i>List of Municipal Officials</i> above that was a formerly employed by your firm within the past one year?</p>	<p>IF "YES", provide the name and of the person employed, their position with the municipality, and dates of employment. Note: Pursuant to Act 44, 2009, Section 702-A Subparagraph (e) "Conflict of Interest": A one year restriction is imposed, without exception, on either circumstance of this question.</p>		<p>Yes</p>		

APPLICANT VERIFICATION

I, Michael G Davisson, hereby state that I am the Vice President for
(Name) (Position)

Univest Municipal Pension Services and I am authorized to make this verification.
(Contractor / Company Name)

I hereby verify that the facts set forth in the foregoing Act 44 Disclosure Form for RFP Applicants seeking to provide Professional Services to New Hanover Township's Pension Systems 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 Applicant 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

7/25/16
Date

REQUEST FOR PROPOSAL -STANDARD DISCLOSURE FORM

Names and titles of all individuals who will be providing professional services to New Hanover Township:

UMPS Investment Management/Consulting Services

Barry W. Keck – Vice President, Senior Investment Analyst

Thomas C. Cassidy III, CFP – Senior Vice President, Senior Investment Officer

Timothy V. Swartley, CFP – Senior Vice President, Senior Trust Officer

UMPS Administrative/Custody/Actuarial Services

Ronald H. Bittner – Vice President, Senior Consultant

Kelle-Ann Kichline – Senior Employee Benefits Account Officer

Fred A. Older – Municipal Pension Consultant

PART B: REQUEST FOR PROPOSAL - APPLICATION

NEW HANOVER TOWNSHIP, PA
Administrative Services

PROPOSAL FOR: Investment, Custodial, Actuarial &

RFP NOTICE NUMBER: 2016-01

SERVICES PROVIDED FOR: Police and
Pension Plans - *Defined Benefit &*

Non-Uniformed
Contribution

RFP NOTICE DATE: July 1, 2016

RFP CLOSING DATE: July 29, 2016

APPLICANT INFORMATION:

Company Name and Address: Univest Municipal Pension Services 4600 Broadway Allentown, PA 18104		Company's Principal Point of Contact: Michael G Davisson Vice President
Point of Contact's Phone Number:	215-703-5459	
Point of Contact's FAX Number:	215-721-4010	
Point of Contact's E-Mail Address:	davissonm@univest.net	

Proposal For:

	<i>Check</i>
Investment Services	
Custodial Services	
Actuarial Services	
Administrative Services	
All Services	X

STATEMENT OF CONFIDENTIALITY ON INFORMATION PROVIDED:

All Applicants to this RFP – be advised that; this application and its contents shall be held in a confidential status until the conclusion of the Request for Proposal process, after which, all information provided on this application will become public accessible and may be disseminated in accordance with the other previously established policies of this municipal entity and the specific disclosure requirements of Act 44 of 2009, Chapter 7-A, except, information that is considered proprietary in nature and / or otherwise protected by law.

APPLICATION INSTRUCTIONS & QUESTIONS:

GENERAL INSTRUCTIONS:

This Application is presented in **WORD format** to allow you to insert your responses without transposing the questions to a separate document. **Applicants must** submit their response to each question below that question and preface each one with the word ***Response:*** in bold Italic format. All responses are to be in Times New Roman font – 12 point. Please do not reformat the Application. **NOTE: NO OTHER FORM OF WRITTEN RESPONSE IS ACCEPTABLE.**

SPECIAL INSTRUCTIONS:

This RFP requires applicants to provide detailed information regarding costs and fees structure. Therefore the following information is provided to assist applicants in calculating these costs and fees. If you require additional information that is not provided in order to properly respond to this RFP, please request this information by immediately **e-mailing** the designated **RFP Point of Contact**. Please explain – briefly – why the requested information is necessary. Further, New Hanover Township realizes that if the assets are more or less than those stated at the time the applicant assumes the assets, that the quoted fees may also change, commensurate with the change (+ or -) in assets. The fee quotes are therefore considered a “good faith” estimate by the applicant based on the information provided at the time of application.

The following demographic information is provided for the reasons stated above.

PLAN DEMOGRAPHICS:

PLAN DEMOGRAPHICS:

**POLICE PENSION, DEFINED BENEFIT: Assets: \$2,355,330 as of: December 31, 2015;
Total Plan Members: nine (9 active)**

NON-UNIFORMED PENSION, DEFINED BENEFIT: Assets: \$3,245,258 as of: December 31, 2015; Total Plan Members: sixteen (16 active)

APPLICANTS' GENERAL QUALIFICATIONS AND SERVICES VERIFICATION STATEMENTS:

1. "In accordance with the criteria stated in the **REQUEST FOR PROPOSAL**, under the section: **MINIMUM REQUIREMENTS TO RESPOND**", (I) we certify that (my) our firm has;
 - a) Ability to provide a clearly functional services platform that addresses all desired services described in the Request for Proposal;
 - b) Five or more years' experience providing pension services to PA municipal government entities; and
 - c) Ten or more Pennsylvania clients under contract for pension services similar to those described in this RFP.

2. "In accordance with the criteria stated in the **REQUEST FOR PROPOSAL**, under the section: **MINIMUM REQUIREMENTS TO RESPOND**", I (we) certify that my (our) firm has made a full and complete disclosure of all fees - direct and indirect, associated with any aspect of the services proposed. This includes all fees paid to or received by all subcontractors and advisors to the contractor including all mutual fund costs such as Expense Ratios and other fees as may be applicable."

3. "(I) we certify that (my) our firm and our disclosed subcontractors, affiliates, and Advisors are fully capable of providing the services specified in this **REQUEST FOR PROPOSAL**, and I (we) certify that I (we) have made a full disclosure of the duties and responsibilities of each, with regard to services to be rendered to the pension plan within the appropriate questions of this application."

Certifying Official:

Name: Michael G Davisson

Signature: 

Title: Vice President

Date: 7/25/16

APPLICATION QUESTIONS:

PART 1 – QUALIFICATIONS & EXPERIENCE

1. Please provide the names and titles of all individuals who will be providing professional services to the **New Hanover Township Police Pension Plan** identified in the RFP. Further, if your firm will employ any subcontractor or company that will be a party to providing any of the proposed services relative to this RFP, or in an advisory capacity, please indicate all respective parties and their capacity, relative to servicing this pension plan.

Response: Below is the Team that would be assigned to New Hanover Township.

UMPS Investment Team: Investment Management/Consulting

Barry W. Keck, Vice President & Senior Investment Analysis
Thomas C. Cassidy, Senior Vice President & Chief Investment Officer
Timothy V. Swartley, Senior Vice President & Senior Trust Officer

UMPS Actuarial/Administrative/Custody Team:

Ronald H. Bittner, Vice President, Senior Consultant
Kelle-Ann Kichline, Senior Employee Benefits Account Officer
Fred A. Older, Municipal Pension Consultant

Subcontractor – Custodian

For custody services, UMPS partners with TD Ameritrade Institutional.

Subcontractor – Beyer-Barber Company – Actuary

UMPS utilizes the services of Beyer-Barber Company, a prominent actuarial consulting firm, for the *finalization and execution* of the biennial Commonwealth of Pennsylvania forms PC-201C, PC202-C or PC-203C, as required under Act 205 of 1984, for filing with the Public Employee Retirement Commission. Beyer-Barber certifies nearly 300 Act 205 reports each cycle.

2. Regarding Qualifications and Experience, please provide the following:
 - a) Describe how long your firm has been providing the types of pension services sought under this RFP, **specifically**, to municipal government entities in Pennsylvania.

Response: Univest Municipal Pension Services (UMPS) began pension operations in 1992. UMPS is one of the leading providers of financial investment management, custodial, administrative, accounting, consulting, compliance and actuarial services in the industry. Our firm's excellent reputation and growth are due to the fact that we *exclusively serve only municipal pension plans located in the Commonwealth of Pennsylvania*. By focusing solely on

the needs of municipalities, we have developed the most comprehensive array of pension services for our clients.

b) Provide some **brief specifics** relative to the qualifications, experience and expertise of the principal individuals responsible for providing **Investment Management and/or Administrative Services**. Specifically address their experience with **PA municipal pensions**.

Response:

Investment Team:



BARRY W. KECK, MBA Vice President, Senior Investment Analyst

With more than 19 years of experience in the financial services industry, Barry is responsible for the planning, design, development, testing, and implementation of all financial and investment analysis for Univest's Municipal Pension Services clients. Prior to joining Univest in 2008, Barry served as President of Investment Analysis for Trollinger Consulting Group. Barry graduated Cum Laude from DeSales University where he earned an MBA in finance and investments as well as a bachelor's degree in Computer Science. He holds FINRA Series licenses 7, 63 and 66. Barry also serves on the Whitehall Township Pension Committee.



THOMAS C. CASSIDY, CFP® Senior Vice President, Chief Investment Officer

Tom Cassidy is a Senior Vice President and the Chief Investment Officer for Univest's Wealth Management Division. Tom has more than 20 years of experience in the financial services industry. Prior to joining Univest, Tom worked as an investment management consultant and manager for PricewaterhouseCoopers and with The Vanguard Group in retirement, estate and investment planning. He earned a B.S.B.A. degree in finance from Shippensburg University. He also holds the designation of Certified Financial Planner (CFP®). When he isn't managing investment portfolios, Tom enjoys spending time with family and friends at his house on Lake Louisa in Lachute, Quebec. He also enjoys playing and watching ice hockey as well as rooting for his favorite team, the Flyers.



TIMOTHY V. SWARTLEY, CFP® Senior Vice President, Senior Trust Officer

Tim joined Univest Corporation in 1996 and uses his extensive industry knowledge to offer a wide range of retirement planning services. He is responsible for overseeing the Retirement Plan Services team in providing clients with Municipal Pension Services, 401(k) Plan Services and Non-Qualified Retirement Plans. Tim and his team guide clients through plan design, fund selection, compliance matters and provide ongoing plan administration. Tim earned a bachelor's degree in business administration from Eastern Mennonite University. He is also a Certified Financial Planner and a graduate of the Indian Valley Chamber of Commerce Community Leadership Institute. Tim is active in his community and serves as Treasurer on the Board of Directors for Generations of Indian Valley, a non-profit community center serving active adults.

Actuarial/Administrative/Custody Team:



RONALD H. BITTNER, CPA Vice President, Senior Consultant

Ron is the primary client relationship manager for the majority of the Univest Municipal Pension Services clients. He oversees all aspects of the actuarial, accounting, administrative, consulting, compliance and benefit determination services for more than 100 pension plans across Pennsylvania. Ron has a background in public accounting and worked in the Department of the Auditor General before entering private business consulting. Ron earned a Bachelor of Business Administration in professional accountancy from Penn State University. He is a Certified Public Accountant and a member of the Pennsylvania Institute of Certified Public Accountants and the American Institute of CPAs. Ron also has his FINRA Series 7 and 63 licenses. He serves as the Finance Committee Chairman for his high school's alumni association and is an avid golfer and bowler.



KELLE-ANN KICHLINE Senior Employee Benefits Account Officer

Kelle serves as the direct contact for Univest's municipal pension client's administrative needs and manages the administrative team for the department. In addition she oversees Act 205 compliance issues regarding audit oversight as well as pension benefit calculation review. She is responsible for the creation and oversight of client investment reports, review of GASB financial reports, AG-385 review, MMO testing and submission, and ACT 205 valuation data review and generation. Before joining Univest in 2008, Kelle served as an accountant at a public accounting firm that specialized in school district and local government audits. Kelle-Ann earned a bachelor's degree in accounting from Muhlenberg College.



FRED A. OLDER, CPA Municipal Pension Consultant

Fred is responsible for the compliance, implementation, and preparation of the GASB reporting standards, GASB 67 and 68. Additionally, his responsibilities include AG-385 review, MMO testing and review, Act 205 valuation data input and review, determination of annual cost-of-living adjustments, and the calculation of pension benefits. Fred also serves as a direct contact for Univest's municipal pension clients regarding their Act 205 and Act 600 compliance issues. Prior to joining Univest in 2013, Fred was employed for 22 years by the Pennsylvania Department of Auditor General concentrating in municipal pensions. He is a Certified Public Accountant and graduated with honors from Spring Garden College with a bachelor's degree in accounting.

3. In general terms, describe the make-up of your current municipal client base: (1) How many of your current public pension clients are **Pennsylvania municipal pension clients** at the township, borough, or municipal authority level (commonly referred to as *local government entities*) and, (2) What are the total pension assets of those Pennsylvania

- c) How many of your PA municipal clients have implemented a freeze to their Defined Benefit Plan in favor of establishing a Defined Contributed Plan for new hires?

Response: UMPS serves as administrator to 14 Cash Balance/Defined Contribution Plans, six of which have implemented a freeze to their Defined Benefit Plan. We also are working with other pension plans that are contemplating this same change. We would welcome the opportunity to demonstrate our expertise in this area.

5. Provide resumes of all professionals who may be actively working for the Township should your firm be selected. Resumes should list related experience and expertise and include copies of current certifications.

Response: Refer to Question 2b above for the resumes of the professionals who will be servicing the Township.

6. Provide a list of three clients with similar requirements as those outlined in this request for proposals. Include referred clients' name, address and name of contact person and telephone number.

Response:

Doylestown Borough
Caroline Brinker, Finance Director
57 West Court Street
Doylestown, PA 18901
Bucks County
215-345-4140
cbrinker@doylestownborough.net
Non-Uniformed Plan

East Hempfield Township
Joseph A. Robinson, Finance Director
1700 Nissley Road
Landisville, PA 17538
Lancaster County
717-898-3100
finance@easthempfield.org
Police & Non-Uniformed Plans

Limerick Township
Beth DiPrete, Assistant Manager
646 West Ridge Pike
Limerick, PA 19468
Montgomery County
610-495-6432
bdiprete@limerickpa.org
Police & Non-Uniformed Plans

Lower Salford Township
Joe Czajkowski, Manager
379 Main Street
Harleysville, PA 19438
Montgomery County
215-256-8087
jczajkowski@lowersalfordtownship.org
Police & Non-Uniformed Plans

Souderton Borough
Michael Coll, Manager
31 West Summit Street
Souderton, PA 18964
Montgomery County
215-723-4371
mike@soudertonborough.org
Police & Non-Uniformed Plans

Wyomissing Borough
Martha Hozey, Manager
22 Reading Boulevard
Wyomissing, PA 19610
Berks County
610-376-7481
mhozey@wyomissingboro.org
Police, Non-Uniform & Fire Plans

PART 2 - SERVICES PROPOSED, FEES, & CUSTOMER SERVICE

WARNING: Your firm **MUST disclose all fees** associated with any portion of investment or administration services. These will include but are not limited to: fees directly deducted from plan assets or billed separately to the Pension Plan; and/or any indirect fees of any form to include fees associated with mutual funds such as expense ratios and other administrative fees or loads - front or back-end. This must also include any fees paid directly or indirectly to any subcontractor or advisor your firm will employ in meeting the requirements of this RFP. **Failure to disclose all fees** will result in immediate disqualification.

7. Provide Services information: Insert a table or provide a complete list of services your firm (and/or in cooperation with your subcontractors & advisors) will provide – (a) investment, (b) custodial, (c) actuarial, and (d) administrative services. Then, for each section or category of services:
- a) List the fees associated with each;
 - b) Describe how these fees are calculated;
 - c) Explain how these fees are paid - directly billed to the plan or indirect (extracted from the returns before returns are posted);
 - d) Explain how these fees are accounted for on plan statements or other reports routinely produced.

List of Investment Services (enter a complete list here):

Response: Below are the services included in our Scope of Services for Investment Services:

Investment Consulting

- Meet with municipal officials to review the needs of the municipal pension plan and to establish a customized action plan for the delivery of investment counseling services to the appropriate Pension Board or Committee.
- Develop or refine procedures in accordance with the Strategic Asset Allocation Investment Methodology.
- Select the appropriate investment fund(s) from within each Asset Class category based upon the following criteria:

Qualitative Analysis

- Provide comprehensive research regarding each Money Manager's personnel and administration.
- Provide comprehensive research regarding each Money Manager's

investment philosophy.

- Provide comprehensive research regarding each Money Manager's decision-making procedures.

Quantitative Analysis

- Provide comparative research regarding each Money Manager's performance against peer group.
- Provide comparative research regarding each Money Manager's performance against benchmark indices.
- Provide comprehensive historical research regarding each Money Manager's portfolio characteristics.

Investment Management Services

- Conduct a detailed interview/consultation with the trustees of the plan in order that UMPS may develop an investment profile consistent with the investment needs and objectives, time horizons, and risk tolerance of the municipality.
- Develop an Investment Policy Statement (IPS) in accordance with the risk profile of the trustees of the Plan.
- Provide a customized Strategic Asset Allocation Investment Methodology specifically designed to adhere to all guidelines and asset allocation target percentages stated within the Investment Policy Statement (IPS).
- Meet systematically to submit and formally review the Investment Summary Reports and Pension Plan's performance history.
- Provide comparisons of each Asset Class' results to other investments using similar policies in terms of diversification, volatility, and style.
- Provide a comparison of each Asset Class' results to appropriate benchmark indices.
- Provide quarterly rebalancing of each Asset Class to its respective target percentage weighting. This quarterly rebalancing process will be consistent with the Asset Allocation Model developed within the Investment Policy Statement.
- Provide a Risk/Return Analysis utilizing Modern Portfolio Theory (MPT) statistics for each investment fund held by the Plan's assets.
- Monitor investments daily via a state-of-the-art Plan Assets' Valuation computer system.
- Provide a diversified portfolio of investment selections managed by well-established Institutional Money Managers.
- Provide updates of each Money Managers' investment performance.

a)List the fees associated each;

Response: Below is our Investment Fee Schedule: **For Calculation Purposes** – The Fee Schedule is based on combined total assets of both plans.

See next section for breakdown of each plan's Investment Management Fee:

UMPS Investment Management Fee Schedule (RIA)				
0.45%	on first	\$2,000,000	=	\$9,000
0.35%	on next	\$3,000,000	=	\$10,500
0.25%	on next	\$5,000,000	=	\$1,501
0.20%	Over	\$10,000,000	=	\$0
0.375%	Total Assets	\$5,600,588	=	\$21,001

b) Describe how these fees are calculated;

Response: The Fee Schedule is based on combined total assets of both plans.

As demonstrated by the above illustration, the management fee for the estimated \$5,600,588 for both plans would be .375% (37.5 basis points) or \$21,001. This is a sliding scale – established in a way to have a declining marginal rate as the asset value grows.

Below is the Investment Management Fee by Plan:

Police Pension Plan - \$2,355,330 x .375% = \$8,832

Non-Uniform Pension Plan - \$3,245,258 x .375% = \$12,169

c) Explain how these fees are paid – directly billed to the plan or indirect (extracted from the returns before returns are posted);

Response: The Investment Management Fee is an **Indirect Fee** and is directly deducted from the plan assets and will be reflected on the Annual Summary Statement. (Extracted from the returns before returns are posted)

d) Explain how these fees are accounted for on plan statements or other reports routinely produced.

Response: The Investment Management Fee is reflected on the plan statement as a separate line item (Extracted from the returns before returns are posted)

List of Custodial Services – (enter a complete list here):

Response: Included and covered in the Administrative Section.

a) List the fees associated with each;

Response: **Custodial Fee: 0.00% \$0.00.** Included as a part of our

Administrative Services.

b) Describe how these fees are calculated;

Response: **Custodial Fee: 0.00% \$0.00.** Included as a part of our Administrative Services.

c) Explain how these fees are paid – directly billed to the plan or indirect (extracted from the returns before returns are posted);

Response: Included as a part of our Administrative Services.

d) Explain how these fees are accounted for on plan statements or other reports routinely produced.

Response: Included as a part of our Administrative Services.

List of Actuarial Services (enter a complete list here):

Response: Below is a list of our Actuarial Services:

Actuarial Services

- Prepare and finalize the biennial Commonwealth of Pennsylvania forms PC-201C, PC-202C, or PC-203C, as required under Act 205 of 1984, for filing with the Public Employee Retirement Commission. (Certified by Enrolled Actuary and Certified Public Accountant)
- Prepare and finalize the biennial actuarial valuations which accompany the completed Act 205 Reports. (Certified by Enrolled Actuary)
- Prepare biennial Plan Participant Summaries, or more frequently if requested.
- Provide actuarial cost and benefit studies, on request, for all proposed benefit modifications.
- Calculate pension benefit options for retiring plan members.
- Provide other actuarial services for all Pension Plans, as requested.
- Preparation of GASB 67 and 68 documents as required.

a) List the fees associated with each;

Response: Actuarial Fee:
Police Pension Plan - \$1,400 per plan/per year
Non-Uniformed Plan - \$1,400 per plan/ per year

b) Describe how these fees are calculated;

Response: Actuarial Fee: \$1,400 per plan/per year. Flat Fee – Direct Bill.

- c) Explain how these fees are paid – directly billed to the plan or indirect (extracted from the returns before returns are posted);

Response: The Actuarial Fees are directly billed to the plan each year.

- d) Explain how these fees are accounted for on plan statements or other reports routinely produced.

Response: The Actuarial Fee is reflected on the plan statement as a separate line item, if paid by the plan.

List of Administrative Services (enter a complete list here):

Response: Below is a list of our Administrative/Custody, Accounting, Consulting/Compliance Services:

Administrative/Custody Services

- Enroll the municipality into our administration and tracking database. Once registered, municipal records are stored within a secure, state-of-the-art computer program specifically geared to the administration of Act 205 and Act 600 Pension Plans.
- Provide municipal pension legislative monitoring services to identify and communicate any necessary or possible changes in provisions to the municipality for consideration.
- Provide general assistance and administrative support to the municipal contact person in areas such as reference materials, pension education, employee enrollment, audit preparation, contacts with the Auditor General's Office or the Public Employees Retirement Commission, etc.
- Administer the release of all payments to Plan retirees or other designated beneficiaries.
- Forward tax withholdings and accompanying information automatically to the Internal Revenue Service Federal Depository.
- Forward all Internal Revenue Service 1099-R forms to each retiree of the Plan on an annual basis.
- Administer the delivery and return of updated Internal Revenue Service W-4P forms to each existing retiree of the Plan.
- Safekeeping of Assets with TD Ameritrade Institutional.
- Monitor and account for all DROP accounts as required.

Accounting Services

- Determine reporting requirements under the Government Accounting Standard Board Statements, generally GASB No. 25, and provide annual

- GASB Financial Statements for all pension plans.
- Provide specific pension plan information and reports to external CPA firm relative to the annual audit of the municipalities General Purpose Financial Statements.
- Develop or refine procedures for reporting data required by the municipality and the State, such as records, logs, financial statements, actuarial studies, etc. with emphasis on strict compliance and timely filing.
- Provide participant, retiree, and insurance rosters at least annually detailing all information required by the Department of the Auditor General or the municipality.
- Provide annual members' contribution rollforward statements detailing all contributions, interest earned in accordance with the plan document, and balances by participant.
- Provide accumulated balances for refunds of terminated, non-vested members' contributions.
- Develop a Policy and Procedure Manual detailing general state compliance and reporting requirements, as well as plan specific documents and procedures.

Consulting/Compliance Services

- Meet with municipal officials on a periodic basis to review the needs of all municipal pension plans and to establish a customized action plan for the delivery of pension services and resolution of any funding discrepancies.
- Determine the annual State Aid Program allocation consistent with each pension plan's specific cost structure or unit value determination.
- Advise on all general Act 205 and Act 600 compliance and reporting issues.
- Determine and advise on compliance requirements specifically relating to Act 600 and the Police Pension Plan's need for or ability to reduce or eliminate members' contributions.
- Prepare and submit timely analysis, based on most recent financial information and actuarial cost studies, to the Police Pension Board for current evaluation of the future need for members' contributions to the Plan.
- Review the annual AG-385 Certification Form and recommend alterations, as needed.
- Prepare the annual Minimum Municipal Obligation (MMO) worksheet with subsequent follow-up to assure timely submission, budgeting, and funding implementation.
- Review and advise on Act 147 Ad Hoc reimbursement on Form AG 490, as needed.
- Review and advise on the resolution of current and future Audit Findings, if any, issued by the Auditor General's Office.
- Provide actuarial analysis and consulting advice as part of Police or Non-uniformed employee contract negotiations and proposed collective bargaining agreements relative to pension issues.
- Provide expert testimony and actuarial, accounting, and administrative

<p>support relative to arbitration hearings or other proceedings.</p> <ul style="list-style-type: none"> Review and advise on overall pension plan design and operations.
<p>a) List the fees associated with each;</p> <p>Response: Administrative Fee: Police Pension Plan - \$4,600 per plan/per year Non-Uniformed Plan - \$4,600 per plan/ per year</p>
<p>b) Describe how these fees are calculated;</p> <p>Response: Administrative Fee: \$4,600 per plan/per year. Flat Fee – Direct Bill.</p>
<p>c) Explain how these fees are paid – directly billed to the plan or indirect (extracted from the returns before returns are posted);</p> <p>Response: The Administrative Fees are directly billed to the plan each year.</p>
<p>d) Explain how these fees are accounted for on plan statements or other reports routinely produced.</p> <p>Response: The Administrative Fee is reflected on the plan statement as a separate line item, if paid by the plan.</p>

New Hanover Township Police Pension Plan

All figures based on Plan Assets of: \$2,355,330

Fee Type (Annual)	Dollar Amount	As a % of Plan Assets
Total Expected Mutual Fund Fees* (Expense Ratio, no 12b-1 fees) Indirect Fees	\$8,008	0.34% (34 bps)
Total Expected Investment Advisor /Management Fee (RIA Fees) Indirect Fees	\$8,832	0.38% (38 bps)
Total Expected Actuarial Fees – Direct Fee (enter annual or ½ biennial fees)	\$1,400	0.06% (6 bps)
Total Expected Administrative Fees/Custody – Direct Fee	\$4,600	0.19% (19 bps)
Other Fees not included above	\$0	0.00%
TOTAL OF ALL FEES:	\$22,840	0.97%

***The Fees charged by the Mutual Funds are not remitted to UMPS.**

New Hanover Township Non-Uniform Pension Plan
All figures based on Plan Assets of: \$3,245,258

Fee Type (Annual)	Dollar Amount	As a % of Plan Assets
Total Expected Mutual Fund Fees* (Expense Ratio, no 12b-1 fees) Indirect Fees	\$11,034	0.34% (34 bps)
Total Expected Investment Advisor /Management Fee (RIA Fees) – Indirect Fees	\$12,169	0.38% (38 bps)
Total Expected Actuarial Fees – Direct Fee (enter annual or ½ biennial fees)	\$1,400	0.04% (4 bps)
Total Expected Administrative Fees – Direct Fee	\$4,600	0.14% (14 bps)
TOTAL OF ALL FEES:	\$29,203	0.90%

***The Fees charged by the Mutual Funds are not remitted to UMPS.**

Total Fees for both plans - \$52,043
(This includes everything – there are no additional charges for ad/hoc requests/reports, etc.)

8. Describe your proposal regarding: (a) investment, (b) banking and custodial, (c) actuarial, and (d) administrative services.

Response: UMPS currently provides investment management, custody, actuarial, compliance and administrative services to most of our clients. We manage **70** Full Service Pension Clients today. Our total commitment in this specialized field has allowed us to present our municipal clientele with comprehensive pension investment services that are unsurpassed by any other municipal consulting firm.

Since we *exclusively* serve the pension market place we have experience in all facets of pension services. We also provide 3rd party administrative services on *DROP, OPEB and 457 Deferred Compensation Plans* to some of our PA Act 205 municipal pension clients.

9. Specify any additional or ancillary services:

- a) Does your firm offer any other services that are not included in the general services menu and the fees listed in Question 6 a-d? If so please list them and the fees associated with each.

Response: No, all services are listed above. We do **not** charge separately for ad/hoc requests/reports, special reports, **GASB 67 & 68 Reports** and/or travel to attend additional meetings. No additional charges.

- b) Does your firm require a specific term or length of contract? If so, indicate the minimum period of time your firm typically contracts for. **Also specify what, if any, penalties or fees are contractually imposed for early termination.**

Response: There is no specific length of contract required and there are no penalties or fees that are contractually imposed for early termination.

- c) Does your firm provide periodic meetings with the township leadership to discuss investment performance, administrative or custodial matters? How often do you suggest these meetings should be held?

Response: Yes. As a fiduciary, we would expect to meet at least twice a year and/or quarterly. Attending from UMPS would be Barry Keck, Ronald Bittner and/or Michael Davisson.

- d) Does your firm provide IRS qualified prototype plan documents and summary plan documents for both a Defined Benefit Plan and the Defined Contribution Plan (a Money Purchase Plan)? Will you provide technical assistance and plan updates to plans as a result of recently passed legislation?

Response: We work very closely with many of our clients on their current plan documents and can provide various sample plan documents. If so desired, we can have their plan documents reviewed by an experienced pension attorney who would recommend any necessary plan changes in order for the plan documents to be maintained on a current basis and pursue IRS qualification. We can provide a prototype Money Purchase Plan document as part of our service package.

10. Briefly describe a situation when your firm provided a timely and effective solution to a new client's crisis or circumstance that resulted in a positive resolution or elimination of the issue.

Response: In preparing the 2011 MMO's for one new client, we identified a specific remedy available under Act 44 of 2009 that was not utilized by their prior actuarial firm in 2010. This remedy reduced their MMO obligation by \$53,161, thereby reducing the Borough's General Fund payment that year by the same amount. We also routinely challenge state audit findings and/or resolve them in favor of our clients.

11. Describe your firm's approach to client support and specifically, if selected, to provide services to New Hanover Township and how the plan will be integrated into your client support network.

Response: Our firm's approach to client support emphasizes personal service and a team approach. When you need to contact us, you will always speak to an associate during our business hours. We strive to provide an immediate response to all inquiries. We maintain consistent and regular contact with our clients throughout the year, providing guidance with compliance and legislative updates. Reminders are sent to ensure our clients are compliant with Act 205 and PERC submission deadlines. We provide timely review and/or preparation of your required reports.

12. Briefly describe any unique characteristics of the overall services platform your firm proposes and why (in your opinion) you feel it is best suited to meet the needs of the New Hanover Township Pension Plans.

Response: UMPS is unique in its acceptance of only PA Municipal Pension Plans that are under the purview of Pennsylvania State Law, namely the Municipal Pension Plan and Funding Standard Recovery Act 205 and the Police Pension Fund Act 600, as our clientele. Our total commitment in this specialized field has allowed us to present our municipal clientele with comprehensive Umbrella of Services that is unsurpassed by any other municipal consulting firm.

Once a municipality selects UMPS's investment/administrative services, we enter the municipality's pension details and participant information into our computer program specifically geared to the pension compliance mandates of the Commonwealth. By modeling a pension portfolio in our system, we are able to test asset mixes for their ability to satisfy the client's goals and cash flow needs or constraints. We simulate various asset growth rates based on the expected return and standard deviation of asset classes. Projected interest and inflation rate changes demonstrate the growth potential of liabilities. The product of our Asset/Liability study is the identification of investment portfolios that are most likely to meet an institution's unique expected future cash outflows or spending needs while minimizing the risk that those needs will not be met.

13. Describe your firm's intended relationship with the New Hanover Township Board of Supervisors, Manager, and staff.

Response: As with most of our plans, UMPS likes to consider itself as an extension of our clients. We will work very closely with the Board/Supervisors as a fiduciary to the plan. We strive to be the trusted advisor to the plan. The Township's Pension Plans will be provided with a team of individuals dedicated to providing our Investment Management/Consulting, Custody, Actuarial and Administrative services. Through

quarterly meetings and frequent communications we will keep the Township fully informed of all investment decisions and portfolio updates.

Board/Supervisors: It is our intentions to be actively involved with the Board. We will meet with the pension committee to discuss the current health of the pension plan, and discuss the plan documents that are in place. We will provide guidance on the Investment Policy Statement and asset allocation mix, which is clearly defined in the IPS. Our research will determine the present and future cash flow liability for the pension plans. This analysis is used to determine the asset allocation mix which is best for the plans.

Manager/Staff: Our firm's approach to client support emphasizes personal service and a team approach. When you need to contact us, you will always speak to an associate during our business hours. We strive to provide an immediate response to all inquiries. We maintain consistent and regular contact with our clients throughout the year, providing guidance with compliance and legislative updates. Reminders are sent to ensure our clients are compliant with Act 205 and PERC submission deadlines. We provide timely review and/or preparation of your required reports.

14. Describe your understanding of the Township's needs and your staffing commitments to assure your ability to meet the Township's requirements.

Response: The Township is looking to partner with a trusted advisor that can provide Investment Management, Custody, Actuarial and Administrative Pension Services for their current defined benefit pension plans as well as guidance on a new defined contribution plan.

At UMPS, we only accept PA Municipal Pension Plans that are under the purview of Pennsylvania State Law, namely the Municipal Pension Plan Funding Standard and Recovery Act 205 and the Police Pension Fund Act 600, as our clientele. This is our entire focus and we currently service 112 pension plans today.

Our focus on understanding the complex state pension statutes that govern each municipal client's pension plan is paramount. This focused knowledge provides our investment counselors with insightful information regarding the financial objectives, the investment time horizons, and the risk profiles that are inherently distinct to local government pensions. The staff at UMPS is uniquely qualified to assist you in every aspect of your pension needs.

15. Describe all subcontracts and associations, if any, with other firms your firm proposes to utilize in the performance of this work. Explain fully the intended working relationships and responsibilities of each firm.

Response: For Custody Services, UMPS partners with TD Ameritrade Institutional (TDI). TDI will provide quarterly account statements and certify that client statements are compliant pursuant to Code of Federal Regulations (CFR) 29 CFR 2520 103-5(c) which are transmittal and certification of information to plan administrator for annual reporting purposes regarding contents. The Custodian will provide Safekeeping of Assets and will provide a separate Custodial Statement.

UMPS utilizes the services of Beyer-Barber Company, a prominent actuarial consulting firm, for the *finalization and execution* of the biennial Commonwealth of Pennsylvania forms PC-201C, PC202-C or PC-203C, as required under Act 205 of 1984, for filing with the Public Employee Retirement Commission. Beyer-Barber certifies nearly 300 Act 205 reports each cycle.

16. Identify a single point of contact person who will be the Township's liaison at your firm. This person should be in attendance at the interview should your firm be selected to be interviewed.

Response:

Ronald H. Bittner
Univest Municipal Pension Services (UMPS)
4600 Broadway
Allentown, PA 18104
Phone 484-860-3466
bittnerr@univest.net
Fax 484-860-3475

17. Provide your most current Form ADV (Parts 1 and 2), including changes, updates and supplements to the date of your proposal.

Response: Refer to *Exhibit II* for ADV Parts 1 and 2.

18. Provide information on your Board's composition (Board members' names, professional affiliations, etc.)

Response: Univest Corporation Board Members

William S Aichele	Chairman and Director		
Jeffrey M Schweitzer	President, CEO and Director		
Douglas C Clemens	Director	P Gregory Shelly	Director
R Lee Delp	Director	Michael L Turner	Director
Jay R Goldstein	Director	Margaret K Zook	Director
William G Morral	Director		
Glenn E. Moyer	Director		

K Leon Moyer Director
Thomas Scannapieco Director
Mark A Schlosser Director

19. A description of the level of insurance coverage, for errors and omissions and for professional liability, carried by your firm.

Response: Univest maintains the following insurance coverage: \$10,000,000 D&O, \$10,000,000 Broad Form E&O, and \$5,000,000 Brokerage/Advisory Services. UMPS is a wholly owned subsidiary and is covered under Univest's insurance policies.

20. Identify the level of bonding carried by your firm.

Response: Univest maintains the following insurance coverage: \$10,000,000 D&O, \$10,000,000 Broad Form E&O, and \$5,000,000 Brokerage/Advisory Services. UMPS is a wholly owned subsidiary and is covered under Univest's insurance policies.

21. State, for the five (5) year period preceding the date of this solicitation, a description of any judicial or administrative proceeding that is material to Applicant's business or financial capability or to the subject matter of this solicitation, or that could interfere with Applicant's performance of the work requested by this solicitation, including, but not limited to, any civil, criminal or bankruptcy litigation; any debarment or suspension proceeding; any criminal conviction or indictment; and any order or agreement with or issued by a court or local, state or federal agency.

Response: We have not been involved in any of the situations listed above. We do not anticipate nor have we received any pending criminal, civil or regulatory notifications.

PART 3- REPORTING & ACCOUNTABILITY

22. Describe your firm's approach to monitoring and managing regulatory changes imposed by state and federal government entities and how you assist municipal clients in maintaining compliance. Additionally, describe your firm's approach to handling adverse audit findings by the PA Auditor General's Office - should they occur.

Response: Ronald H. Bittner, Vice President of our Actuarial/Compliance Department, served as Audit Manager for the Western Pennsylvania Region in the Bureau of Municipal Pension Audits under the Auditor General of the Commonwealth of Pennsylvania, until the end of 1995. He is recognized as an expert

in the field of municipal compliance regarding Pennsylvania's Act 600. He has been called upon to give expert testimony in Harrisburg, PA regarding future impacts on Act 600 police pension plans.

UMPS exclusively serve Pennsylvania local governments in the operation of their municipal pension plans. By specializing in this niche business, our consultants spend 100% of their time on municipal pension issues. We continuously monitor proposed state legislation. Our long-standing relationship with field auditors in the Department of the Auditor General and other experts in the municipal pension field provides us with unmatched access and immediate responses. All associates attend governmental and pension related trainings to keep abreast of current and pending legislation and to maintain professional certifications.

Pennsylvania's pension system is different from any other state or federal program, and it has a myriad of complex statutes such that general pension knowledge and experience is neither particularly relevant nor helpful. Our research has indicated that there are only a few firms in the entire state that have a competent working knowledge in this field, but none of them provide a complete Umbrella of Services, and we believe none have the personnel nearly as qualified as the team we have in place ready to serve your pension system.

Our comprehensive platform, extensive knowledge and continual contact with our clients and auditors during the audit process serve as measures to prevent audit findings. However, if a finding should occur, we will thoroughly review the facts and circumstances to ensure that the finding is valid. In the event that we do or do not agree with the finding, we will work directly with the field auditor to resolve the issue or provide the client with the information necessary for resolution.

23. Provide a sample of an Annual Summary Statement or Annual Plan Statement that indicates transactions within the plan. This must be of the same design as the one your firm will routinely provide to New Hanover Township, if you are selected. What are the costs for providing this report?

Response: Refer to Exhibit III for a Sample Investment Performance Report. This report is included as a part of our services. (No additional fee)

24. Please provide one example of a recent Investment Summary Report. Provide information on the timing and distribution of investment performance reports following the end of a reporting period.

Specifically describe what types of exhibits (reports) would be presented in a summary report, those provided in a detailed report, and the frequency of each. What are the costs for providing this report?

Response: Refer to Exhibit III for a Sample Investment Performance Report.

Our clients receive regular Investment Performance Reports that describe and analyze the performance of the client's investment managers and total asset pool. These reports aggregate manager data into a single report, supply analytical depth not found in quarterly manager or custodial reports, place manager and total-portfolio returns in context of manager and plan universes, and provide an independent appraisal of manager performance.

Our performance analysis compares portfolio results to investment expectations and appropriate benchmarks and ranks the performance of the fund's investment managers relative to their peers. All reports include a market environment analysis. In addition, our proprietary systems allow customized reports that meet the specific needs of each client.

Performance reports are generated regularly whenever meetings are held, and there are no additional fees for the creation and presentation of these reports.

An accounting report complete with balance sheet, income statement, cash flow details, and asset allocation is sent to our clients within 10 days from the end of the quarter. Performance reports are generated within 5 days from the end of the quarter. We schedule meetings with our client's trustees and/or investment committee in the second month following each quarter.

25. What types of reviews or audits does your firm routinely conduct when assuming a new client? Are there additional fees incurred for these reviews or audits and if so, what do they typically cost?

Response: It is standard procedure that we review all pension reports and documents prepared by the prior custodian and/or advisor. This review allows us to ensure that our new client is in compliance with current legislation and enables us to make recommendations, potentially resulting in cost savings or administrative improvements.

There are no additional fees associated with these services.

PART 4 - INVESTMENT PERFORMANCE & MANAGEMENT

26. If your firm plans to provide the investment services portion via a structured or multi-employer trust, please provide an overview of the trust's structure, how investment managers are chosen, and who is responsible for investment advising and allocation selection.
IF NOT, then discuss who is responsible for investment manager selection (or mutual fund selection), asset allocation, monitoring and advising. Also indicate

how often the account is reviewed and reallocated or rebalanced.

Response: Our firm does not utilize structured or multi-employer trusts. Our client's individual accounts are set up as a Qualified Government Retirement Plan with the client as the trustee of the account. **(We do not believe that one structure fits all. Every pension plan is unique and therefore, the investment strategy should be specifically designed for that plan.)**

Univest Portfolio Management Team is responsible for investment manager selection, asset allocation, monitoring and advising. All investment portfolios are reviewed on a weekly basis and rebalanced on a quarterly basis.

27. Is your organization (or parent or affiliate) is a registered investment advisor with the SEC pursuant to the Investment Advisors Act of 1940.

Response: Yes, our firm is federally registered investment advisor with the SEC. We are regulated according to the rules and regulations of the Investment Advisors Act of 1940. We take great pride in being a fiduciary to portfolios we manage.

28. Describe the process which you utilize to review or establish an investment policy.

Response: We have comprehensive experience in developing investment policies and objectives for our clients and believe that the development of an Investment Policy, Guidelines, and Objectives Statement is one of the most important aspects of our fiduciary responsibility.

The Investment Policy Statement describes the procedures that will be followed to manage investment funds. It is a process-driven document that protects the interests of the beneficiaries of the investment funds. Should any governing agency audit the affairs of our client, this would be the first document reviewed as it both indicates and prescribes how the funds are managed. We believe the document should link policy to objectives.

We believe the Statement should not only document investment goals, but also set a process for implementation. Accordingly, we spend considerable time with all our clients ensuring that policy guidelines are up-to-date and are being followed.

Our first priority in designing investment policies is to work closely with the committee and staff to develop a statement that focuses on the steps necessary to ensure the goals of the plan are met.

Typical components include:

- Identify the responsible fiduciaries and articulate the sponsor's role

- Document the history, structure, and mission of the funds
- Establish criteria for selection of investment managers
- Set investment performance objectives and risk parameters
- Detail risk tolerance and posture
- Determine performance measurement standards (e.g., benchmarks) and establish an effective review procedure
- Describe the review process

29. Describe in detail the asset classes and allocation mix your firm proposes to employ if selected to provide investment services. Describe why you feel your firm's overall approach to asset management is best suited to meet the needs of the New Hanover Township Pension Plans? How often is the portfolio reviewed?

Response: The investment philosophy utilized by Univest Municipal Pension Services is a multi-tiered diversification process intended to reduce risk and produce consistent, above-average returns. Multi layers of diversification are achieved by first diversifying each portfolio into multiple classes. Each asset class is then diversified into multiple styles. And each style is implemented using multiple money managers. Our selection process selects the Managers that have outperformed their peers in 3 year, 5 year and 10 year periods. We then narrow the selection process down to the managers with the lowest risk factors. This process maximizes a manager's ability to outperform in bull and bear markets. We feel that this approach is best suited to municipalities because overall market risk is diversified.

We provide independent advice:

We do not offer proprietary products because we believe it is important that we are independent when we recommend a product or fund to you. Whilst we may not believe certain types of investment are suitable for clients, because of their structure or inherent risks, it is important we are fully aware of them, understand the circumstances where they may be relevant and can advise appropriately if a client already holds such investments. It is also important to us that we do not have any contractual relationships in place which require us to place business with any particular provider of products or funds, as this would compromise our independence and create a conflict of interest when providing advice.

We believe that cost is an important investment criteria:

We believe that cost is a critical factor in selecting a product or investment fund as this is one of the few known criteria at outset and it has a demonstrable impact on future investment returns. Cost has an influence over our fund selection criteria.

In addition, every time an investment is bought and sold costs are incurred. These may include the bid/offer spread, price effects, and stamp duty, which may not be included in the Total Expense Ratio (which assumes the funds are to be held and not traded through the period). We aim to keep the Portfolio Turnover Rate as low as possible using strategic

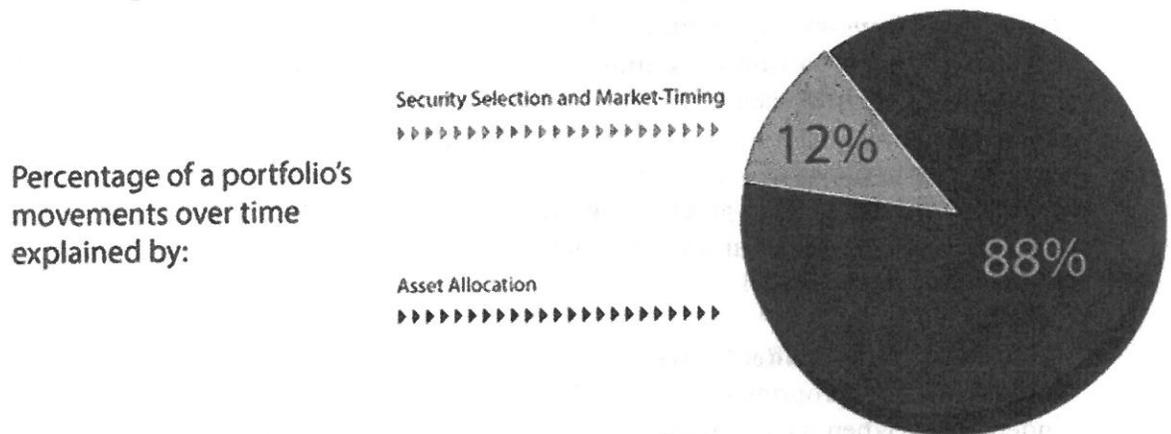
asset allocation, but from time to time our investment committee can use research to avoid certain investments that may underperform during given economic environments.

We believe in strategic asset allocation:

One of the most important investment decisions we make for clients is what assets to invest their money in. Depending on their financial goals we will build a corresponding mix of assets that produces the most appropriate level of risk and expected return. Asset allocation has a significant influence over the expected risk and return profile of a portfolio, as such it is given the highest priority within our process.

The importance of asset allocation is stated earlier in our explanation for passive investment. Studies show that asset allocation—the division of assets across broad asset classes—is the primary determinant of a portfolio’s risk and return (see figure 1.).

Fig 1. Investment outcomes are largely determined by the long term mixture of assets in a portfolio.



Calculations are based on monthly returns for 518 U.S. balanced funds from January 1962 through December 2011. For details of the methodology, see the Vanguard research paper *The Global Case for Strategic Asset Allocation* (Wallick et al., 2012).

As stated, the process of developing the asset allocation mix is a multistage process. The allocation mix is dependent on factors such as asset/liability studies, risk analysis, market conditions and the *Assumed Rate of Return*. **Refer to Exhibit IV for Efficient Frontier Models – 60/40 & 70/30.**

Below is a typical moderate asset allocation model that is a baseline standard for institutional pension plans. It is a 60/40 mix of equities-to-fixed income.

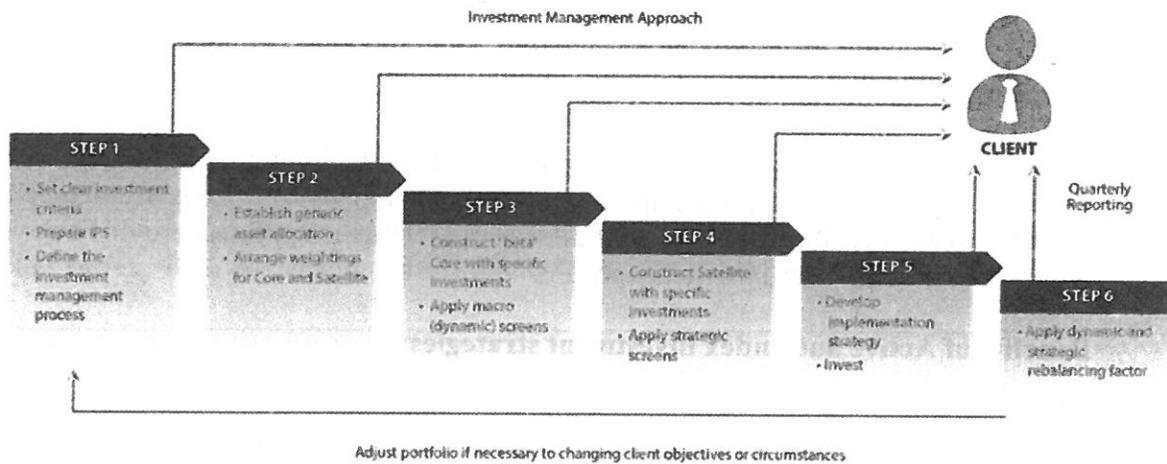
ASSET CLASS

ASSET WEIGHTING

	Range	Target
Domestic Equity	45% - 55%	50%
International Equity	5% - 15%	10%
Fixed Income	32% - 42%	37%
Cash	1% - 5%	3%

Each asset class is further divided into specific sub-asset classes (i.e. Large Cap Growth, Large Cap Value, Mid Cap Growth, etc.) dependent on the demographics of each client.

OUR INVESTMENT PROCESS

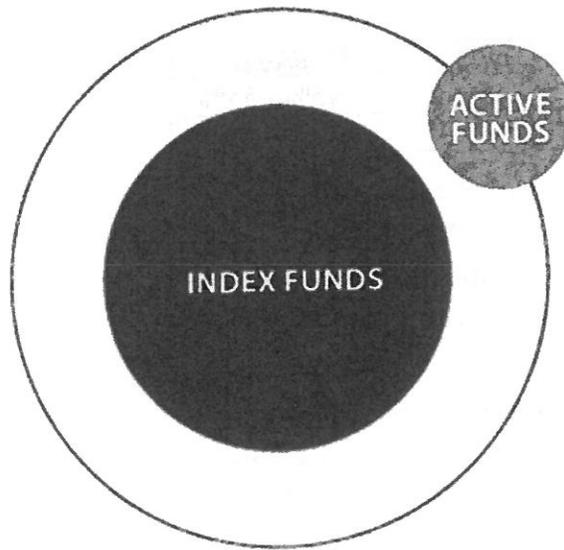


We will consider passive, active and blended investment strategies:

Numerous academic studies have been conducted with the aim of supporting the argument that either a passive or an active investment strategy will consistently produce superior outcomes over the long term. None of these studies have been conclusive or incontestable, and there are pros and cons of each strategy. As such we consider both a passive and an active investment strategy for our clients, as well as a blend of the two.

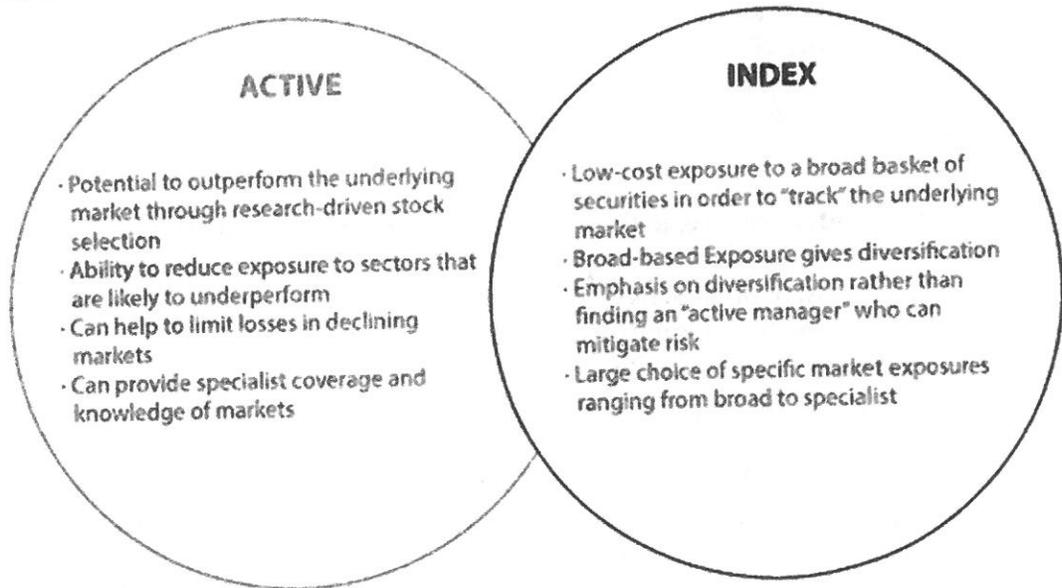
Core/Satellite – A Blend of both worlds:

A core satellite investment approach gives municipalities the flexibility to blend different styles of investing and different market exposures to best suit their cost and risk profiles. By combining extremely low cost index investments as core holdings – such as index tracker funds and ETFs – with actively managed mutual funds as satellite holding – to form diversified and dynamic portfolios, the overall cost of the portfolio is lowered while still providing potential for investment gains exceeding the respective benchmark. The core forms the foundation of the investment strategy, around which the more specialized satellite investments are added.



At UMPS, we believe that combining exposure to markets through active and index investment strategies gives municipalities the best of both worlds. Active funds seek to outperform markets through careful stock selection, while index funds provide a cost-effective and broad-based market exposure.

Benefits of Active and Index investment strategies:



Refer to Exhibit V for a Sample New Hanover Township Portfolio.

30. Past Performance Data:

- a) Based on your response to Question # 22, Provide the Annualized NET rate of return for one client your firm manages with the same or similar asset allocation mix as you have proposed in response to Question # 22. Respond for each of the timeframes indicated below and the index (or indexes) your firm uses as a benchmark to measure performance.

Investment Returns Chart

Timeframe – 60/40 Portfolio	Net Rate of Return %
Year ended – 2015	-0.23%
3 years (thru 2015)	7.98%
5 years (thru 2015)	7.08%
10 years (thru 2015) or since inception*	5.38%
* If date of inception is used, please indicate the specific date of inception.	
Index (or Indexes) used as a Performance Benchmark: : 50% Morningstar U.S. Market Index, 40% Aggregate Bond Index, 10% MSCI EAFE USD.	

- b) Based on your answer to *part a) of this Question*, what were the *net rates of return and the benchmark net return* specifically for each of the last 10 years. Please insert a table in the document providing this data.

60/40 Split

YEAR	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Net Return	11.67%	8.65%	-27.01%	19.00%	13.77%	-0.94%	12.89%	17.59%	7.32%	-0.23%
INDEX	11.84%	5.33%	-23.02%	17.94%	10.41%	1.44%	9.94%	16.39%	7.01%	-0.76%

31. It is important that the Rates of Return provided in your response to question # 23 reflect accounts that are (essentially) of the same make-up and design as you proposed in your response to question # 22 for comparative reasons.

- a) **If this is the case**, please state this in response to this question - no further explanation is necessary.

Response: Yes, composite results reflect **60/40 Split** - 50% Domestic Equity, 10% International Equity, 37% Fixed Income and 3% Cash allocation as stated above.

- b) **If not, please explain** the reason why and provide some additional information that will assist those reviewing your proposal in making an informed comparison.

PART 5 – CUSTODIAL

32. Identify the amount of assets under custody (not including bank mutual funds or commingled pooled trust).

Response: UMPS currently provides custody services through a third party custodian to 112 public pension clients with assets over \$299 Million. Custody services will be provided through TD Ameritrade Institutional. These charges are already included in UMPS comprehensive fee.

33. Identify the number and dollar amount of custody accounts gained or lost over the last 12 months.

Response: Over the last 12 months, UMPS has added 6 custody accounts and \$18.2 Million in assets. We have not lost any accounts over that same time frame.

34. Identify the year your Firm began performing custody services for clients other than for bank mutual funds or commingled pooled trusts.

Response: UMPS has been providing custody services to our clients through a third party provider since 1992. Custody services will be provided through TD Ameritrade Institutional. These charges are already included in UMPS comprehensive fee.

35. List the custody software used by your firm and state if it is proprietary or licensed.

Response: UMPS partners and is licensed with TD Ameritrade Institutional for custody services.

36. Describe your online service to which the client and any authorized third party can have access.

Response: UMPS partners with TD Ameritrade Institutional, which has built AdvisorClient.com, an exclusive Web site for our clients. Our clients have the ability to view their positions, balances and account history. This platform allows the following:

- Access to portfolios online
- Choose between viewing individual accounts or a combined view
- View historical information, such as statements, confirmations and transactions
- Create a customizable dashboard view

37. State how soon after the close of the month client reports will be available.

Response: Statements are generally available online one (1) day after month end and 95% are mailed within three (3) business days and 100% complete within five (5) business days. Clients can access statements through AdvisorClient.com.

38. Enclose a sample client statement and available options on statements (i.e., - trade date, including accrued income, etc.)

Response: *Refer to Exhibit VI for a Sample TD Ameritrade Custody Statement.*