

**Harmar Township
Police and NonUniform Pension Plans
Basis for Award of Professional Services Contract**

The Pension Board of Trustees' review of Act 44 Compliance with regard to Proposal submissions is as follows:

1. Qualifications, Experience and Expertise.

Evaluation: All Applicants demonstrated the professional qualifications, experience and expertise in the field of providing pension plan management. All Applicants demonstrate direct experience with Pennsylvania municipal pension plans.

2. Compensation.

Administrative Fees:

CIM	.75%	'Police \$9036.96 NonUnf \$6074.78
Fusion	.30%-[.45%]	'Police \$5442.17 NonUnf \$3644.87
Oakmont Capital	.60%	'Police \$7229.57 NonUnf \$4859.83
PFM Group	.45%	'Police \$5422.17 NonUnf \$3644.87
RJ Hall	.25% + \$1500	'Police \$4512.32 NonUnf \$3524.93

'Current Plan(s) Assets:	Police	\$1,204,927.64
As of 3/31/2016	NonUniform	\$809,970.93

Evaluation: Administrative Fees range from .25% to .75% of net plan assets annually. RJ Hall presented the lowest annual percent rate but also included a flat \$1500 fee. CIM presented the highest annual percent rate. Based upon calculated fees using the value of plan assets as of March 31, 2016, Fusion presented the lowest annual rate even when calculating their maximum rate of .30%.45% but is equal to PFM Group when calculating at the highest percentage rate.

Custodial Fees:

CIM	Does not provide Custodial Services
Fusion	No charge if Custodial Provider is Fidelity
Oakmont Capital	No charge if Custodial Provider is TD AmeriTrade or Charles Schwab
PFM Group	Does not provide Custodial Services
RJ Hall	Proposal did not address Custodial Services

Evaluation: All Applicants do not provide the necessary Custodial Service. Fusion and Oakmont Capital offer no-fee services through established providers. CIM and PFM Group do not provide a Custodial Service but will work with a

²financial institution of the Township's choice. The proposals from RJ Hall did not address Custodial Services.

²Financial Institution Custodial Fees may be structured as Asset-Based or Transaction Based. For example, the asset-based fee for U.S. Bank may be as low as 0.025% and the transaction based fees are as follows:

Trades	\$7.50
Benefit Payments	\$2.50
Wire Transfers	\$10.00
ACH (per debit)	\$2.00
Lump Sum Distributions	\$15.00

Trade Fees:

CIM	Based upon financial institution chosen by Twp.
Fusion	\$7.95 + \$0.01 per <u>share</u> for every share over 10,000 Shares – through Fidelity
Oakmont Capital	\$8 - \$25 per <u>trade</u> – estimates \$200-\$500 annually
PFM Group	Based upon financial institution chosen by Twp.
RJ Hall	Proposal did not address Trade Fees

Evaluation: CIM proposed the highest administrative fees and did not address Custodial and Trade fees. RJ Hall proposed the lowest administrative fees but also did not address Custodial and Trade fees.

Only Fusion and Oakmont Capital addressed all associated fees relative to the service(s) request. Fusion proposed a lower administrative fee in comparison to Oakmont Capital; however, the proposed Trade fees are based on the number of shares being traded as opposed to the number of trades as per the Oakmont Capital proposal.

3. Insurance.

Only PFM Group and Oakmont Capital provided a response in regard to insurance coverage(s). Both responses were acceptable.

4. Act 44 Disclosure.

All Applicants completed and submitted the required Act 44 Disclosure.

Recommendation.

It is the Pension Board's opinion that Oakmont Capital, having submitted a comprehensive proposal that addresses all associated fees for necessary services, would be the best possible choice. The Township's Solicitor has reviewed the Contract for Services with Oakmont Capital. Provided all comments as noted by the Solicitor are satisfactorily addressed, the Pension Board of Trustees recommends that Oakmont Capital be contracted as the Township's Police and NonUniform Investment, Custodial, and Recordkeeping Advisor.



Emiliano Cresta, Chairman

5-19-16

Date