



# *City of Presque Isle, Maine*

## **REQUEST FOR QUALIFIED FIRMS** **Review Maine Public Employees Retirement System (MePERS)**

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### **Introduction**

The City of Presque Isle is seeking a qualified financial firm to review the City's current involvement in the Maine Public Employees Retirement System (MePERS) which is also known as the Maine State Retirement System. Qualified firms are invited to submit five copies of detailed proposals to: Emily Smith, City Council Chair, C/O Bev Labbe, City Clerk, 12 Second St., Presque Isle, ME 04769 no later than 3:00 p.m. Thursday, March 21, 2013. Bids will be opened on Thursday, March 21 at 3:01 p.m.

Any questions regarding this process should be directed to Pat Webb, Finance Director, City of Presque Isle, 12 Second St. Presque Isle, Maine 04769, (207) 760-2717 [pwebb@presqueisleme.us](mailto:pwebb@presqueisleme.us).

### **Selection Process**

The Audit Committee is a committee of the Presque Isle City Council and has been tasked to review the current status as 'withdrawn participating local district (PLD)' versus rejoining the system as a member of the consolidated plan.

As of the bid opening on March 21, all proposals will be submitted to the Audit Committee for review. Based upon their review, the Committee will make a recommendation to the City Council. The ultimate selection of the firm and authorization to begin the project will be given by the Presque Isle City Council at a scheduled council meeting.

The City reserves the right to accept or reject any or all proposal.

### **Project Information and Services Desired**

#### **Overview:**

The City of Presque Isle, Maine is seeking a qualified firm to assist them in making a decision whether to continue as a 'withdrawn participating local district (PLD)' or to rejoin the program as member of the consolidated plan. The review is driven by the City's current unfunded liability which is \$3,917,785 as of June 30, 2012. The City's annual contribution to MePERS for the remaining employees within the system (currently 21) is 37.31% of wages. Based on past experience we expect that this rate may climb as high as 50% on July 1, 2013. The major factor driving this high rate is the amortization of the unfunded liability financed by MePERS over a period of 13 years at a rate of 7.5%.

If the City makes the switch, the retirement contributions for the existing employees would be 5.3% to 10%, depending on the plan (as of January 1, 2013) plus the amortization of the unfunded liability which MePERS has offered to finance 15 year period at a rate of 7.5%.

### **Section 1: Background**

In 1996, the City eliminated the Maine State Retirement System as an option for the employees and required all employees hired since that date to participate in a deferred compensation system administered by the International City Management Association Retirement Corporation. As a standalone PLD, the City was carrying a surplus. Hence, it elected to not join the consolidated plan.

Today, the City has an unfunded liability. Over the last few years, that liability has increased to \$3,917,785 as of June 30, 2012. The increase has been driven primarily by the performance of the investment decisions made by the Trustees of the system. With no new members joining the system, coupled with the required amortization of the unfunded liability, the 'expected donation rate' has increased dramatically. For the budget year 2013, it is projected that the City will pay \$403,760 into the system based on payroll of \$930,000.

City staff explored the possibility of freezing the unfunded liability by closing out the PLD and joining the consolidated plan. Under current MePERS rules, communities are only given the option of rejoining either on January 1 or July 1. The opportunity was presented during budget time in November, 2012. The City Council elected to defer any decision on the issue given the pressures of the budget and the lack of time to fully understand the implications. It formally voted to ask the Audit Committee to investigate this opportunity and make recommendations to the City Council. It is implied that review should be done in ample time to allow the Council to make a decision with time to implement a July 1, 2013 deadline, if the decision was made to change.

### **Section 2: Purpose**

The study shall review the appropriate and available documents in order to issue a report to the Audit Committee. The report shall analyze the drivers of the City's unfunded liability, and make a prediction of the future of the unfunded liability based on stated assumptions. It shall also make a recommendation, based on the assumptions used regarding the unfunded liability, on whether it would be prudent for the City to consider joining the consolidated plan. In making such recommendations, the selected firm shall be fully versed in the rules, regulations and other restrictions that current law places on MePERS and the City of Presque Isle.

Said report shall be given at least verbally, by April 30, 2013, with a written report of the same to follow within seven (7) days.

City staff will fully cooperate with the selected firm.

### **Section 3 – Schedule**

The Committee anticipates having an ambitious timeline and prefers to have this portion of the process completed quickly. Our target schedule for this RFQ process is:

February 25, 2013	Request for Proposal issued
March 21, 2013	Proposals due by 3:00 PM EST
March 28, 2013	Review completed by the Audit Committee
April 1, 2013	Audit Committee Recommendation to Council
April 8, 2013	Bid is awarded by City Council

### **Section 4 – Proposal Format and Requirements**

Respondents must provide five (5) copies of their proposal. Please mark “MePERS Review” on the outside of your proposal package and send to:

Emily Smith, Council Chair,

C/O Beverly Labbe, Presque Isle City Clerk,

12 Second Street

Presque Isle, Maine 04769

Proposals must address the following areas:

- Experience of firm
- Experience of staff who will work on this campaign
- Experience with similar projects, working with municipalities and communities of like size
- Proposed implementation schedule
- Detailed list of your role and responsibilities throughout project
- Breakdown of typical fees charged by phase and associated scope of services.
- Any expectations of City Staff
- References from a minimum of five (5) clients

Criteria for Firm Selection

1. Education and relevant experience of principals, and key employees.
2. Firm's history of performance on previous projects.
3. Adequacy of personnel and equipment to perform the work.
4. Completeness of the proposal.
5. Cost and Fee schedule.
6. Firm's general approach to planning, organizing and management of project including approach to problem solving, data gathering, communication and committee participation.
7. Present workload with consideration of present and future commitments.
8. Recommendation and opinions from firm's previous clients.
9. Firm's ability to secure professional liability insurance.
10. Firm's flexibility in providing separate cost increments for the feasibility phase, design phase, bidding phase and contract administration.
11. Firm's ability and interest in assessing the cost feasibility of the entire project as outlined in the Project Information section and suggest alternatives, if advisable.
12. Other factors deemed pertinent by the City.

STATEMENT OF BIDDER'S QUALIFICATIONS  
(If desired, the bidder may submit additional information.)

1. Name of Bidder: \_\_\_\_\_

Bidder is: Corporation ( ) Partnership ( ) Individual ( )

2. Permanent Main Office Address: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

3. Federal ID Number (Employer's ID No.): \_\_\_\_\_

4. When organized: \_\_\_\_\_

4. If a corporation, where incorporated? \_\_\_\_\_

5. How many years have you been engaged in business under your present firm or trade name? \_\_\_\_\_

6. A financial statement may be required of the successful bidder prior to award.

The Undersigned hereby authorize and requests any person, firm, or corporation to furnish any information requested by the Sponsor in verification of the recitals comprising this Statement of the Bidder's Qualifications.

Attest

Name of Bidder: \_\_\_\_\_

By: \_\_\_\_\_

Title: \_\_\_\_\_

Dated: \_\_\_\_\_