

Proposal for
Actuarial Consulting Services

October 2, 2023

Submitted to:



October 2, 2023

CONFIDENTIAL

Ms. Bethany Rhodes
Director
Ohio Retirement Study Council
30 E. Broad Street, 2nd Floor
Columbus, OH 43215

Dear Bethany:

Pension Trustee Advisors (PTA), partnering with KMS Actuaries (KMS) and Bolton Partners (Bolton), is delighted to present this competitive offer in response to Ohio Retirement Study Council's (ORSC) request for proposals (RFP) for providing independent actuarial services.

This type of assignment is our primary business. Unlike most actuarial firms, most of PTA's work involves a second actuary. We would be privileged to continue to serve the ORSC and look forward to the opportunity to present our qualifications to you, in person and on the following pages.

We understand the work to be done and will make a commitment to perform the work as scheduled. Our team has the ability, willingness, knowledge, experience and resources to not only meet your needs but exceed them, subject to the terms of the RFP. William (Flick) Fornia, Linda Bournival, and Tom Vicente will be the primary consultants for ORSC.

William B. Fornia, FSA, EA, MAAA

President

Pension Trustee Advisors, Inc.
9765 Mirabella Point
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e-mail: flick@pensiontrusteeadvisors.com

Linda L. Bournival, FSA, EA, MAAA

Consulting Actuary

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Tom Vicente, FSA, EA, MAAA

Senior Consulting Actuary

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36 S Charles Street
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Public Pension Focus

The challenges faced by public pensions are not unique to Ohio. Flick Fornia, Linda Bournival and Tom Vicente have been involved considerably in this arena both currently as well as historically. Our participation has ranged from actuarial valuations and audits of numerous pension systems to working outside the pension systems to help our clients effect change. These engagements have been on all sides of the pension reform. For example, PTA worked with bondholders on the bankruptcy of Detroit, the largest US municipal bankruptcy filing in history, with more than \$1.4 billion at stake. Flick also helped the Commonwealth of Puerto Rico manage their pension challenges while restructuring their finances. And of course, we are extremely proud of the role we have played with ORSC leading to one of the most comprehensive and balanced pension reforms in the country in 2012 and continuing to serve the Council as trusted actuarial advisors.

We have substantial involvement in the forefront of the public pension scene. Linda has a sound foundation of public pension and health actuarial valuations both large and small, through KMS and prior firms. Flick is a nationally recognized public plan actuary and advisor. He regularly presents on complex pension issues to such organizations as Government Finance Officers Association, the Federal Reserve Bank of Cleveland, the International Foundation of Employee Benefit Plans and the National Association of State Auditors. He is well known throughout the public pension community for his ability to explain complex matters to a lay audience. Tom leads Bolton's public sector practice and has over thirty years of experience working with pension and retiree medical plans. He serves on several professional committees and has presented in national settings such as the National Conference of Public Employee Retirement Systems (NCPERS).

Our Philosophy

Our objective is to continue to provide ORSC with accurate, well-understood information so that the Council can make the right decisions. Pensions are controversial these days and difficult to understand. We analyze the facts and present them in a manner that will enable the best decisions to be made. We do this through (1) timely and responsive client service; (2) accurate, peer-reviewed, thorough actuarial analysis; and (3) effective oral and written communication of our findings. We encourage you to contact our clients (including ORSC Councilmembers) to confirm how we have accomplished our mission in the past.

Ms. Bethany Rhodes

October 2, 2023

Page 2

We are happy to answer any questions on this proposal and look forward to discussing this with you further.

Sincerely,

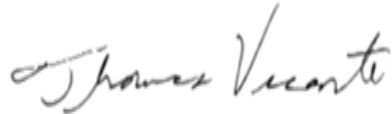


William B. Forna, FSA
President
Pension Trustee Advisors

Sincerely,



Linda L. Bournival, FSA
Consulting Actuary
KMS Actuaries, LLC



Thomas Vicente, FSA
Senior Consulting Actuary
Bolton Partners

TABLE OF CONTENTS

SECTION	CONTENTS	PAGE
1	Management Summary	1
2	Capabilities and Experience	3
3	References	8
4	Staff Qualifications	10
5	Methodology and Work Products	17
6	Glossary	19
7	Cost Information	21
8	Additional Information	22

SECTION 1 – MANAGEMENT SUMMARY

In response to your Request for Proposal (RFP) for Actuary Consulting Services, we are pleased to provide this proposal presenting our services for actuarial advisory and related consulting to the Ohio Retirement Study Council (ORSC).

We offer the extensive experience and expertise in performing these actuarial services that you require. Flick Forna, founder and President of Pension Trustee Advisors (PTA), Linda Bournival, founder and owner of KMS Actuaries, LLC (KMS), and Tom Vicente, senior consulting actuary for Bolton Partners (Bolton) have provided actuarial services to many public sector clients and have, in combination, over 100 years of actuarial experience. Flick has provided actuarial consulting services in many retirement-related areas, including financing, plan design, bond analysis, asset-liability studies, retiree healthcare, and legislative testimony. He has performed consulting services for 22 statewide retirement systems, including more than a dozen audits for large defined benefit public retirement systems. Linda has provided actuarial services to a large number of public retirement systems and governmental entities, including state, regional and local retirement systems, small, medium, and large cities, towns, counties, and regional school districts. Tom has provided actuarial, retiree medical, and pension consulting services, as well as the administration and communication of retirement programs, including significant experience with design, benchmarking, and retirement adequacy studies for retirement programs, determining cost factors for union-negotiated programs, as well as with hybrid pension plans such as Cash Balance and Retirement Equity programs.

Below we present a summary of our understanding of the services that are sought by the ORSC.

Based on the information provided in the RFP and our extensive experience with ORSC, we understand that ORSC has broad oversight for all five of the statewide retirement plans. While the plans perform their own actuarial analyses, ORSC is seeking their own actuary for review and assistance with special projects.

The ORSC has issued an RFP requesting proposals from qualified actuarial consulting firms interested in performing actuarial services. The RFP specifically is requesting the following services:

1. Perform actuarial cost studies as needed for legislative proposals
2. Annually review Ohio Police and Fire Pension Fund (OP&F) contribution rates
3. Every three years, calculate supplemental rates for higher educational employees
4. Advise on issues pertaining to other questions that arise, subject to the powers and duties of ORSC

SECTION 1 – MANAGEMENT SUMMARY

5. Provide information and technical assistance, including attendance at appropriate meetings

This proposal will demonstrate PTA's, KMS' and Bolton's ability to perform the consulting services that the ORSC requires. Flick Fornia, Linda Bournival, and Tom Vicente provide proactive, actuarial consulting advice based on years of experience with public sector plan sponsors and related entities such as ORSC. Not only should you review our qualifications and experience that we have detailed in Sections 2 and 4 but we encourage you to contact the references we provide in Section 3 so you can gain confidence in our ability to provide these services. The fact that we have provided actuarial services during the last 30-40 years to a large number of public sector clients speaks to our ability to provide strong actuarial and advisory services.

This type of work is a substantial portion of our team's business. Unlike the majority of actuarial consulting firms, we extensively act as a third party advising an entity such as ORSC on the actuarial work done by others for a retirement system.

Of course, our most important reference is ORSC itself. From November 2011 through July 2012, we worked with ORSC and the systems nearly every day reviewing plan details and actuarial calculations as a component of our pension reform study. We have continued since then as the ongoing actuary to ORSC. We know ORSC and your plans quite well and have a thorough understanding of them and the actuarial nuances.

SECTION 2 – VENDOR CAPABILITIES AND EXPERIENCE

Firms' Public Plan Experience

PTA, KMS and Bolton have provided actuarial consulting services to dozens of clients including the following:

- Ohio Retirement Study Council
- Municipal Employees Retirement System of Michigan
- Puerto Rico General Employees Retirement System
- State of Colorado
- State of Nevada
- State of Kentucky
- Colorado Fire and Police Pension Association
- International Association of Firefighters' (IAFF) Locals in twenty jurisdictions
- Alaska Public Pension Coalition

- Government of Guam
- Worcester Regional Retirement System
- Manchester, New Hampshire
- Massachusetts Water Resources Authority
- Plymouth, Massachusetts
- Dukes County, Massachusetts (Cape Cod Islands)
- Massachusetts Public Employee Retirement Administration Commission

- State of Maryland
- State of Maine
- District of Columbia
- City of Providence, RI
- Pension Benefit Guaranty Corporation
- State of Texas
- State of California

Flick Fornia specializes in the type of actuarial consulting services that ORSC is requesting. He has conducted seventeen audits for large defined benefit public retirement systems. Flick is well known for his ability to explain complex concepts to lay audiences. He is an author and frequent speaker at organizations such as the National Association of State Retirement Administrators (NASRA), the National Council on Teacher Retirement (NCTR), the National Association of Public Pension Attorneys (NAPPA), the National Conference on Public Employee Retirement Systems (NCPERS), the Conference of Consulting

SECTION 2 – VENDOR CAPABILITIES AND EXPERIENCE

Actuaries, the International Foundation of Employee Benefit Plans, The Conference Board, the Government Finance Officers Association (GFOA), National Association of State Auditors, and the Brazilian Association of Pension Plans (ABRAPP).

PTA, founded in 2010, is the leading provider of specialized non-routine actuarial services relating to state and local government retirement systems.

Linda Bournival has provided actuarial consulting and retirement system valuation services for several municipalities and governmental entities over the past 35 years. In addition, she provides Governmental Accounting Standards Board Statement (GASB) Number 74 (GASB 74) and Number 75 (GASB 75) valuation services and retiree health care consulting services to many large, medium and small public sector clients. Over the years, she has provided a variety of services with respect to retirement plans, including the design and preparation of comprehensive employee benefit statements, the design and development of a complex automated benefit calculation system, the administration and establishment of qualification procedures for domestic relations orders and pension valuations of retirement benefits in divorce situations.

KMS, founded in 2011, has a significant presence in the public sector, providing services to over one hundred entities, including state and local retirement systems, cities, towns, counties and regional school districts.

Tom Vicente is a Senior Consulting Actuary with Bolton and the leader of Bolton’s public sector pension practice. Tom has over 30 years of experience in actuarial, retiree medical, and pension consulting services, as well as the administration and communication of retirement programs. He also has significant experience with design, benchmarking, and retirement adequacy studies for retirement programs, determining cost factors for union-negotiated programs, as well as with hybrid pension plans such as Cash Balance and Retirement Equity programs. He has been a speaker for different groups, including the American Academy of Actuaries, and the Society of Actuaries, as well as local groups, such as the Georgia GFOA where he spoke about the types and benefits of actuarial audits for pension and OPEB plans. He also spoke at an SOA-sponsored webcast on the impact of COVID-19 on public sector pension plans. Tom has published a whitepaper on service purchase rules for governmental pension plans as well as a paper on the impact of accounting rules affecting governmental employers offering post-employment benefit programs and ways in which those employers could manage those costs.

Bolton was founded in 1981 by Mr. Robert G. Bolton as an independent actuarial and employee benefits consulting firm, and since our founding, actuarial services and benefit plan consulting have been our primary focus. The firm has over 40 years of experience

SECTION 2 – VENDOR CAPABILITIES AND EXPERIENCE

providing consulting services to clients in the public and corporate sectors, nonprofit organizations, as well as for the Federal Government.

Flick, Linda and Tom’s expertise combined with our experience with ORSC over the last decade brings to ORSC unparalleled actuarial capabilities.

Following are descriptions of several projects similar to what ORSC is or may be requesting:

- *Conduct actuarial and cost analyses of various legislative proposals and review work conducted by the retirement systems’ consulting actuaries on various legislative proposals. Some of these analyses will have short deadlines.*

The Alaska legislature has proposed various changes to its retirement system. PTA was engaged by the legislature to analyze the proposal and determine how much the proposal would cost or save the State. Within a very tight time frame, PTA prepared a report and testified to the legislature.

KMS is frequently asked to provide cost analyses of local benefit options available to Massachusetts Public Retirement Systems, including increased death and COLA benefits.

Bolton has an ongoing engagement with the Maryland Department of Legislative Services. In this role, Bolton analyzes the projected impacts of proposed pension legislation on long-term State pension costs and stability and typically analyzes over ten bills per legislative session.

- *On an annual basis, review the adequacy of the contribution rates made under the Ohio Police and Fire Pension Fund (OP&F) and make recommendations to the legislature for the proper financing of the benefits provided by OP&F (Ohio Revised Code 742.311).*

PTA/KMS’ assignment in the 2012 pension reform study included a review of the adequacy of contributions under all five Ohio systems, along with recommendations to the legislature on the pension reform thirty-year plans. We have conducted this study of OP&F annually and presented to ORSC each year.

PTA and KMS have also reviewed contribution adequacy for other clients. When advising the State of Colorado, we developed a “signal light” approach that

SECTION 2 – VENDOR CAPABILITIES AND EXPERIENCE

measures the health of the plans. Although developed for the State, the retirement system continues to use this method for communication to its stakeholders.

KMS' work with Massachusetts retirement systems includes development of various funding alternatives that fully fund the systems' liabilities within statutory requirements and presenting these options to the Boards.

Bolton's work in actuarial audits includes analyzing the current funding policies and developing and recommending improved approaches for different State pension systems around the country.

- *Provide consultation and advice on questions and issues that arise relevant to the powers and duties of the ORSC.*

We can assist in any relevant and appropriate actuarial manner. We have extensive experience providing actuarial consulting and advice.

An excellent example of disparate advice and questions by PTA to bondholders is in the Detroit bankruptcy. These bondholders were at risk of losing up to \$1.4 billion and were seeking a rigorous understanding of the issues pertaining to the Detroit retirement systems. This advice included an expert witness report, deposition, and testimony.

Two other examples that PTA/KMS worked on together were two Michigan public entities with different actuarial issues with third parties which required actuarial review of methodology and advising our clients with the ramifications of various potential issues.

Other examples are mentioned above and some are included as attachments.

- *Provide information and technical assistance, including attendance at ORSC meetings as requested, to present analysis, studies, and reports completed by the actuary and provide testimony to legislative committees.*

We have presented to ORSC more than twenty times, and once to the Ohio House Committee for Health and Aging Subcommittee on Retirement and Pensions Hearing legislature. Flick has also presented to legislatures in eight other states.

SECTION 2 – VENDOR CAPABILITIES AND EXPERIENCE

Examples of actuarial work products, testimony, presentations and publications are available upon request.

SECTION 3 – VENDOR REFERENCES

References

Below, we provide references that you can contact and learn more about our strength in providing actuarial services.

Massachusetts Bay Transportation Authority

Contact: Ahmad Barnes, Senior Director of Labor Relations
Address: 10 Park Plaza Boston, MA 02116
Phone: (857) 268-2106
Email: abarnes@mbta.com

In 2021 to 2023, PTA assisted MBTA with negotiation of pension benefits and funding alternatives.

City of Austin, Texas

Contact: Belinda Weaver, Treasurer
Address: 919 Congress Ave Suite 1250, Austin, TX 78701
Phone: (512) 974-7885
Email: Belinda.Weaver@austintexas.gov

Flick has served the City as their actuary since 2021. He reviews the actuarial valuations for their three retirement systems and advises the City on pertinent actuarial matters.

Worcester Regional Retirement System

Contact: Kevin Blanchette, Chairperson
Address: 23 Midstate Drive, Auburn, MA 01501
Phone: (508) 832-6314
Email: kpblanchette@worcesterregionalretirement.com

KMS performs actuarial valuations of the Retirement System pursuant to Chapter 32 of the Massachusetts General Laws. Other services we have provided include a cost-of-living study to value the cost of increasing the COLA base, presentation of the valuation results to the 95 member units and a pension forum presenting the cost of disability retirements. Linda has provided services to Worcester Regional since 2010, and previously while with Buck Consultants, from 1992 – 2000.

SECTION 3 – VENDOR REFERENCES

Maryland Department of Legislative Services

Contact: Michael Rubenstein, Policy Analyst
Address: 90 State Circle, Annapolis MD 21401
Phone: (410) 946-5520
Email: Michael.Rubenstein@mlis.state.md.us

As the actuaries for the Maryland Department of Legislative Services, Bolton provides fiscal analysis for all proposed legislation related to the state’s retirement systems. Each year, we begin by matching the most recent actuarial valuation results and reviewing the multi-year cost projections from the actuary for the State Retirement and Pension System, including each component (Teachers, Employees, State Police, Judges, and LEOPS). From these baseline results, we can model the effect of changes in such program aspects as employee contribution rates, benefit levels, employer contributions, salary increases, eligibility, past service credits for military service, and changes in the retirement eligibility age.

SECTION 4 – STAFF QUALIFICATIONS

Pension Trustee Advisors (Flick Fornia) is partnering with KMS Actuaries (Linda Bournival) and Bolton Partners (Tom Vicente) to provide actuarial consulting services to ORSC. Flick, Linda and Tom are pension and retirement system actuaries with significant experience in providing actuarial consulting services to public sector clients. The three of us are fully credentialed Fellows of the Society of Actuaries (FSA), the highest level of professional accreditation that an actuary can achieve. We are members of the American Academy of Actuaries and meet the Qualification Standards of the American Academy of Actuaries necessary to perform the services requested in this RFP and render actuarial opinions with respect to the calculations required.

As we did for our ORSC pension reform study and the five audits, our team will include other staff to assist in actuarial calculations.

Flick will serve initially as the lead actuary and consultant to the ORSC. He will be responsible for management of the overall relationship and projects. Linda will perform any required data processing, calculations and modeling using an actuarial valuation system called ProVal, widely used by many national firms. Tom will assist Flick and Linda and provide the necessary consulting and peer review of the work presented here. We estimate the time spent by each for completion of the various tasks in the first two years to be as follows:

Flick Fornia	25%
Linda Bournival	25%
Tom Vicente	25%
KMS and Bolton support team	25%

We provide a summary of Flick, Linda and Tom’s professional qualifications and experience on the following pages.

SECTION 4 – STAFF QUALIFICATIONS

William B. (Flick) Forna

Flick is founder and President of Pension Trustee Advisors (PTA). PTA provides consulting services on public pensions with focus on pension advice.

Previous Work History

He was senior vice president at Aon Consulting, leading their public sector pension actuarial consulting practice from 2006 to 2010. Flick has more than 40 years of consulting and actuarial experience, primarily in the areas of retiree pension and healthcare benefits. Prior to Aon, he managed the Denver Retirement Practice of Buck Consultants and has served nationally as a Senior Consultant for Gabriel, Roeder, Smith & Co., both specializing in public pensions.

Work Experience

Flick Forna has expertise in all retirement-related areas, including financing, plan design, bond analysis, asset-liability studies, retiree healthcare and legislative testimony. His career includes serving as corporate actuary for The Boeing Company and as consultant for numerous multinational corporations in Brazil and Argentina during his ten years at Towers Perrin. Previously, he was corporate actuary for Boeing.

He has performed consulting services for 22 statewide retirement systems in Alaska, California, Colorado, Louisiana, Missouri, New Mexico, North Dakota, Oklahoma, Puerto Rico, Utah, Vermont, Wyoming and others. He led ORSC's pension reform study and audit of SERS. Other clients have included the US Department of State, Cities of Baltimore, Austin, New York and Philadelphia, IBM, US WEST and Ford Motor Company.

Articles and Speech Presentations

Flick is well known for his ability to teach complex concepts to lay audiences. He is an author and frequent speaker at organizations such as the Pension Research Council, the National Conference of State Legislators (NCSL), National Association of State Retirement Administrators (NASRA), the National Council on Teacher Retirement (NCTR), the National Association of Public Pension Attorneys (NAPPA), the National Conference on Public Employee Retirement Systems (NCPERS), the Conference of Consulting Actuaries, the Western Pension and Benefits Conference, the International Foundation of Employee Benefit Plans, The Conference Board, the Government Finance Officers Association (GFOA), and the Brazilian Association of Pension Plans (ABRAPP).

SECTION 4 – STAFF QUALIFICATIONS

Articles and speeches have addressed all aspects of retirement programs including retiree healthcare plans, and the challenges of public sector defined contribution plans. He co-authored “*A Better Bang for the Buck – The Economic Efficiencies of Defined Benefit Plans*” with the National Institute of Retirement Security in 2008.

Professional Organizations and Education

He is a Fellow of the Society of Actuaries, Enrolled Actuary, Member of the American Academy of Actuaries, and Fellow of the Conference of Consulting Actuaries. He was elected by the 35,000 members of the Society to two terms on their Board of Directors, where he served as Secretary-Treasurer, and is active in major actuarial organizations. Flick earned a Bachelor of Arts in Mathematics at Whitman College.

SECTION 4 – STAFF QUALIFICATIONS

Linda L. Bournival

Linda L. Bournival formed KMS Actuaries, LLC, after nearly 25 years of actuarial consulting experience with a wide-range of retirement plan and postemployment benefit assignments and issues. A significant portion of her experience includes consulting and actuarial services for pension plans and postemployment benefit programs for governmental entities, including states, cities, towns, school districts and authorities.

Previous Work History

Prior to forming KMS Actuaries, Linda was an Executive Vice President at Ricci Consultants and previously, Director and Consulting Actuary at Buck Consultants. Linda has over 35 years of consulting and actuarial experience and includes services for pension plans and postemployment benefit programs for private and public sector entities. She has worked with clients regarding qualified and non-qualified defined benefit and defined contribution plans.

Work Experience

Linda has been involved considerably in the pension and OPEB arena both currently through KMS as well as through prior employers since 1988. Her participation has ranged from actuarial valuations of numerous retirement systems and OPEB programs for both public and private pensions to design, analysis and review of pension systems and retiree medical programs. She has been involved with a number of actuarial assignments relating to large state retirement systems.

Since the implementation of Statement Numbers 43 and 45 issued by the Governmental Accounting Standards Board, and their successor statements 74 and 75, Linda has been retained by local entities to perform actuarial valuations of their postemployment medical, dental and life insurance programs. Linda currently serves as actuary for several clients including Worcester Regional Retirement System, University of Maine System, and the Government of Guam OPEB valuations.

Linda has a sound foundation of public pension and health actuarial valuations both large and small, through KMS and prior firms. She has presented on “Pension Reform and Plan Design: Around the Country” and “Planning, Preparation and Collaboration for GASB 67/68 Implementation” at PERAC’s Emerging Issues Forums. She has presented on retiree medical actuarial issues at the Conference of Consulting Actuaries’ Annual Meetings and as a panelist in a municipal round table series “Healthcare Cost Management at the Crossroads: What’s Left in My Bag of Tricks?”.

SECTION 4 – STAFF QUALIFICATIONS

Professional Organizations and Education

Linda is a Fellow of the Society of Actuaries, an Enrolled Actuary, a Member of the American Academy of Actuaries, and a Fellow of the Conference of Consulting Actuaries. Linda graduated magna cum laude from Providence College earning a Bachelor of Arts in Mathematics.

Linda currently serves as Council Member on the Society of Actuaries Social Insurance and Public Finance Section.

SECTION 4 – STAFF QUALIFICATIONS

Tom Vicente

Tom is a Senior Consulting Actuary at Bolton Partners and leads the firm's public sector practice. Tom's focus is on providing high value to clients through innovative solutions, strong communication, and high-quality, timely results.

Previous Work History

Prior to joining Bolton, Tom was a Partner at Aon, serving as a lead pension and retiree medical program consultant.

Work Experience

Tom Vicente has over 30 years of experience in actuarial, retiree medical, and pension consulting services, as well as the administration and communication of retirement programs. He also has significant experience with design, benchmarking, and retirement adequacy studies for retirement programs, determining cost factors for union-negotiated programs, as well as with hybrid pension plans such as Cash Balance and Retirement Equity programs.

Areas of Specialization

- Presenting results and making recommendations to Boards, leadership, and trustees on valuation results (funding and accounting), and special studies for pension and OPEB plans
- Performing and supervising pension plan and OPEB plan valuations
- Auditing pension and OPEB valuations performed by other actuaries
- Developing benchmark reports and peer-group evaluations
- Completing plan design evaluations and determinations of the costs and appropriateness of different changes
- Supervising and preparing benefit statements
- Resolving pension plan administrative issues (such as missing data or participants, overdue payments, complex QDROs, etc.)
- Working with outside auditors to effectively complete year-end accounting and disclosure requirements

Professional Organizations and Education

Tom is a Fellow of the Society of Actuaries, an Enrolled Actuary, a Member of the American Academy of Actuaries, and a Fellow of the Conference of Consulting Actuaries. Tom has been an active member in the Social Insurance and Public Finance section of the Society of Actuaries, including serving as Chair of the section, and has been a member of the American Academy of Actuaries Public Plans Committee. Tom graduated from Drexel University earning a Bachelor of Science in Mathematics.

SECTION 4 – STAFF QUALIFICATIONS

He has been a speaker for different groups including the National Conference of Public Employer Retirement Systems (NCPERS), Maryland GFOA, MIIA, the Massachusetts Municipal Association, the Actuary’s Club of Philadelphia, and the Georgia GFOA. Tom has published white papers on the purchase of service provisions in pension plans as well as the impact of accounting rules affecting governmental employers offering post-employment benefit programs and ways in which those employers could manage those costs.

SECTION 5 – METHODOLOGY AND WORK PRODUCTS

Based on our understanding of the requested services in the RFP, we will provide actuarial consulting services to ORSC. Our proposed methodology for completion of the scope of services and other consulting services, along with the desired work products, follows:

1. Conduct actuarial and cost analyses of various **legislative proposals**.
 - Annually, in advance:
 - Meet with ORSC staff, and possibly system staff in advance to try to anticipate potential legislation and issues with actuarial and cost analysis
 - Collect actuarial membership data from the systems
 - Develop internal actuarial models for testing of proposed changes
 - Once legislation is introduced or an analysis is requested:
 - Discuss interpretation with retirement system
 - Conduct actuarial analysis
 - Review with ORSC and system staff, as appropriate
 - Report to ORSC, and legislature or system as appropriate
 - We anticipate about five hours per year of time by each ORSC and system staff
2. Annually review the adequacy of the **contribution rates made under the Ohio Police and Fire Pension Fund (OP&F)** and make recommendations to the legislature for the proper financing of the benefits provided by OP&F
 - Meet with ORSC staff and OP&F staff to understand process of ORSC contribution rate development and interpretation of this requirement.
 - Modify current model to project OP&F contribution rates, similar to that produced each year from 2014 through 2022.
 - Once OP&F contribution rates are calculated, conduct the analysis
 - Prepare a written report that is in language clearly understood by lay readers, containing details of the review, detailed recommendations and conclusions where appropriate.
 - Present report to ORSC, legislature or OP&F as appropriate
3. Provide **consultation and advice** on questions and issues that arise relevant to the powers and duties of the ORSC

As indicated in Section 2, we can assist in any relevant and appropriate actuarial manner. We have extensive experience providing actuarial consulting and advice. Please see our response below where we combine this and the following project.

SECTION 5 – METHODOLOGY AND WORK PRODUCTS

4. Provide information and technical assistance, including **attendance at ORSC meetings**, as requested, to present **analyses, studies, and reports** completed by the actuary and provide testimony to legislative committees.
 - Annually, in advance, meet with ORSC staff, and possibly system staff in advance to try to anticipate potential issues
 - Once an issue arises or an analysis is requested:
 - Discuss interpretation with retirement system
 - Conduct actuarial analysis
 - Review with ORSC and system staff, as appropriate
 - Report to ORSC, and legislature or system as appropriate
 - We recommend that we also regularly review all actuarial reports issued by the retirement systems within a few months of their submission to ORSC. These would include:
 - Annual Actuarial Valuations
 - Periodic Actuarial Experience Investigations
 - Annual Comprehensive Financial Reports
 - Other reports with actuarial implications, such as Issue Briefs

SECTION 6 – GLOSSARY

Below, we provide a glossary of all abbreviations, acronyms and technical terms used to describe the services contained in our proposal.

ABRAPP – Brazilian Association of Pension Plans.

Actuarial Assumptions – Assumptions as to the occurrence of future events affecting pension and OPEB costs, such as mortality, withdrawal, disablement and retirement; changes in compensation and Government provided pension benefits; rates of investment earnings and asset appreciation or depreciation; procedures used to determine the Actuarial Value of Assets; characteristics of future entrants for Open Group Actuarial Cost Methods; and other relevant items.

Actuarial Cost Method – A procedure for determining the Actuarial Present Value of pension plan benefits and expenses and for developing an actuarially equivalent allocation of such value to time periods, usually in the form of a Normal Cost and an Actuarial Accrued Liability.

Bolton – Bolton Partners.

DB Plan – Defined Benefit Plan.

DC Plan – Defined Contribution Plan.

FSA – Fellow of the Society of Actuaries, the highest educational standard for actuaries.

GASB – Governmental Accounting Standards Board.

GASB 45 – Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions.

GASB 74 – Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans.

GASB 75 – Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions.

GFOA – Government Finance Officers Association.

IAFF – International Association of Firefighters.

SECTION 6 – GLOSSARY

KMS – KMS Actuaries, LLC.

MBTA – Massachusetts Bay Transportation Authority.

NAPPA – National Association of Public Pension Attorneys.

NASRA – National Association of State Retirement Administrators.

NCPERS – National Conference on Public Employee Retirement Systems.

NCTR – National Council on Teacher Retirement.

OP&F – Ohio Police & Fire Pension Fund.

ORSC – Ohio Retirement Study Council.

PERS – The Public Employees Retirement System of Ohio.

ProVal – Winkelvoss Technologies actuarial software used for funding and accounting valuations of retirement benefits and OPEB.

PTA – Pension Trustee Advisors, Inc.

SERS – School Employees Retirement System of Ohio.

STRS – School Teachers Retirement System of Ohio.

SECTION 7 – COST INFORMATION

Fees are determined based on our estimate of the time required to perform the requested services. We propose that invoices, which will include the hourly rate and number of hours worked by specific personnel, be submitted on a monthly basis.

Our cost proposal is presented below and includes hourly rates for the professional staff assigned to the actuarial consulting services and an estimate of the number of hours anticipated.

ORSC Fee Development

Task	Team Member Name	Hours	Hourly Billing Rate	Estimated Cost
Hourly Rate	William Fornia	N/A	\$555	N/A
	Linda Bournival	N/A	\$400	N/A
	Tom Vicente	N/A	\$550	N/A
Review OP&F Contribution Rates				
Review OP&F Contribution Rates	Lead Consultant	20	\$400 - 555	\$10,000
	KMS or Bolton Actuarial Staff	20	\$300	6,000
	Review Consultant	6	\$400 - 555	3,000
	Total	46	NA	\$19,000
Planning and Periodic Review of Actuarial Matters				
Planning and Periodic Review of Actuarial Matters	Lead Consultant	8 to 30	\$400 - 555	\$4,000 to 15,000
	KMS or Bolton Actuarial Staff	up to 20	\$300	Up to 6,000
	Total	8 to 60	NA	\$4,000 to 21,000
Travel Costs (per trip to Columbus)				
Travel Costs (per trip to Columbus)				\$1,500

SECTION 8 – ADDITIONAL INFORMATION

1. PTA, KMS nor Bolton, or any of the principals, officers, or any affiliate has been a party to any litigation or allegations concerning fraud, negligence, criminal activity, violations of law or regulations or fiduciary responsibility.
2. We are not aware of any conflicts of interest that exist. PTA, KMS and Bolton will contractually agree to disclose all sources of revenue, affiliations, and details of other relationships that may present conflicts of interest.

We do not currently have any active contractual agreements with any of the five state retirement systems.

PTA, KMS nor Bolton has served as the consulting actuary to any of Ohio's state retirement systems.

3. As stated in Section 4 – Staff Qualifications, we will use the services of KMS and Bolton actuarial and administrative support staff.
4. Pension Trustee Advisors was incorporated in Colorado in 2010 by its sole owner, William Forna. KMS Actuaries, formed in 2011 by its sole owner, Linda Bournival, is a limited liability company. Bolton Partners was founded in 1981 by Mr. Robert G. Bolton as an independent actuarial and employee benefits consulting firm. Our firms provide actuarial, retirement, benefit and technology services. PTA's, KMS' and Bolton's actuarial consulting services to the public sector, particularly special projects such as these requested by the ORSC, represent a significant portion of the services our firms provide. There is currently no plan for material changes in ownership, staff or structure of our ORSC team.