

MINUTES OF THE MEETING OF THE
PENSION PLAN ACTUARIAL RFP REVIEW COMMITTEE

2:00 p.m.

August 13, 2019

MEMBERS PRESENT: David Genshaw-Mayor, Charles Anderson-City Manager, June Merritt-Director of Finance & HR, Annette Cole-HR.

Mayor Genshaw called the meeting to order at 2:01 p.m. and turned the meeting over to June Merritt for discussion.

June Merritt first provided all of the members with a cost analysis of the four proposals received. She began with Capital Benefit Consultants, for a five year contract with this firm the total contract would cost \$187,500. Foster & Foster entered a total contract proposal for the five years of \$204,800. Boomershine Consulting entered a contract proposal for the five years of \$173,500. Finally, Buck Consultants, the City of Seaford's current vendor entered a five year contract proposal of \$139,500. This would make Buck Consultants the low bid, however, Mrs. Merritt went on to note that Buck Consultants did not provide an hourly billable rate as the others, stating that they do not bill in that way.

Mayor Genshaw asked Mrs. Merritt if she could provide the amount that Buck Consultants currently charge the City for actuarial services. Mrs. Merritt responded that you can find the amount under addendum #1 in the Foster & Foster proposal, the total that was paid last year was \$54,200. Mayor Genshaw stated that if we go with the incumbent, Buck Consultants that would mean over 50% savings. Charles Anderson stated that he felt Buck was obviously in a position to keep our business and he liked the fact that they gave a flat rate, that would be very predictable for budget.

Mayor Genshaw then asked if a five year contract would have to be signed and Mrs. Merritt responded that she felt a letter of agreement would probably be sufficient.

Mr. Anderson went on to state that all the firms that sent a proposal met our insurance requirements, with Buck Consultants exceeding our requirements. No firms were Delaware based, so location should not play a factor in selection. In comparison of size, Buck consultants has over 1700 professionals, Foster & Foster have around 60 employees, Boomershine and Capital Benefit are much smaller firms, with 13 and 25 employees respectively.

Mayor Genshaw then asked for clarity regarding if the bid would be awarded before a meeting would take place with the firm to discuss different pension plan options. Mr. Anderson responded that the options have been laid out in the proposal so the cost to lay out those options is included in the pricing model. Once, all information on the changes is received City Council and management will have conversations on cost ramifications and implement any changes that are agreed upon.

There being no further questions, all members gave the scoring to Charles Anderson for tally. Tallied scores were as follows: Buck Consultants is highest with 80.25%, Foster and Foster and Boomershine came in at 75.75%, and Capital Benefit came in at 67.5%. With these totals, Charles Anderson asked the members if they were comfortable giving a recommendation to Council to remain with the incumbent, Buck Consultants? Mayor Genshaw asked for a vote. June Merritt voted yes, Annette Cole voted yes, Charles Anderson voted yes. With all present voting in favor, Mayor Genshaw stated that the

recommendation will be made to Council on August 27th. Charles Anderson requested that June Merritt draft the recommendation for that date and be present to present the proposal to Council. June stated that she could.

There being no other questions or comments, Mayor Genshaw requested a motion to adjourn, Charles Anderson made the motion to adjourn and June Merritt seconded the motion.

The meeting was adjourned at 2:20 p.m.

Annette Cole, Secretary