

# **CITY OF MENASHA, WISCONSIN**

## **REQUEST FOR PROPOSALS-ACTUARIAL SERVICES**

### Section 1 – Introduction

The City of Menasha is currently seeking actuarial services that will assist in the implementation of Governmental Accounting Standards Board (GASB) Statement No. 45 (Accounting and Financial Reporting by Employers for Post Employment Benefits Other Than Pensions), for its current other post employment benefits (OPEB).

In preparation for implementation of GASB 45, an actuarial valuation is needed to determine the City's liability related to OPEB. The actuarial valuation should be performed in accordance with paragraph 13 of GASB 45 and applicable actuarial standards issued by the Actuarial Standards Board.

The requirements of GASB 45 will be effective for the City's financial statements covering the fiscal year beginning on January 1, 2008, with a reporting date of December 31, 2008. The full, initial GASB valuation will be a one-time project to bring the City into compliance. It is expected that there will be periodic follow-up reviews and updated forecasting as required by GASB regulations.

### Section 2 – Background

The City is located in northeast Wisconsin in Winnebago and Calumet Counties, approximately 90 miles north of Milwaukee, 96 miles northeast of Madison and 38 miles southwest of Green Bay. Incorporated in 1874, the City encompasses approximately 6.77 square miles, with a 2008 estimated population of 17,408. The form of government is mayor/aldermanic with 8 alderpersons elected for two-year alternating terms. Currently the City has approximately 100 full-time and 6 regular part-time insurance eligible employees.

The City purchases a comprehensive employee health plan from Network Health Plans, comparable to those offered by other Wisconsin municipalities. The cost to the City for the plan is negotiated on an annual basis with Network Health Plan. The City has no continuing obligation beyond the annual contract.

City of Menasha retirees are eligible to remain on the City of Menasha health insurance plan until they become eligible for Medicare. Spouses and eligible dependants may also remain on this plan as long as the retiree is on the plan and until their COBRA rights are exhausted. The retiree is obligated to pay the entire cost of the plan for themselves, spouses and dependants, except as described in Sick Leave Payouts.

Retirees become qualified when they have reached the age necessary to immediately receive a pension annuity from the Wisconsin Retirement System (WRS). Current employees become eligible for health insurance coverage on the first day of the month following their hire date if they work at least 640 hours per year on a year-round basis in WRS covered positions. The City makes a contribution of \$55/month towards the premium of a single plan and \$190 towards the premium of a family plan for all Fire Department personnel retiring after 1/1/1998. This contribution continues until the fireman leaves the plan.

The City of Menasha has two sick leave payout provisions upon retirement under the Wisconsin Retirement System. For any accumulation of sick leave after 120 days, employees are eligible to remain on the City Health Insurance Plan and offset the premium cost by the sick leave payout. Once this benefit is exhausted, there is no more offset. If an employee chooses not to remain on the City Health Insurance Plan, this payout provision is forfeited.

For accumulated sick leave up to 120 days, employees are eligible to receive a payment in cash or an offset of the premiums if the employee chooses to remain on the City Health Insurance Plan. The specific amount is determined by respective Collective Bargaining Agreements with Unionized employees and by the rules of the Personnel Policy Handbook for non-unionized employees.

### Section 3 – Scope of Services

The City of Menasha is seeking proposals in response to the Request for Proposal from qualified actuaries to provide actuarial services for the City's OPEB. The desired completion date of the study is June 30, 2009, and a formal presentation to the City Council may be required.

To be considered, a Proposer must have at least three (3) years of successful contracting experience in the type of work involved in this project, and must have successfully performed work similar in scope to the work proposed in this project.

Evidence of Firm's qualifications and at least three (3) municipal references shall be submitted. Failure to include this information may result in firm being found non-responsive.

The City will make available the following information:

1. Current health insurance census
2. Health insurance census history
3. Health insurance premium schedule

The primary project is the GASB 45 valuation. The proposal should include the following comprehensive actuarial services provided in a written report:

1. Prepare an actuarial valuation following GASB 45 standards. Include the following information:
  - The actuarial present value of total projected benefits
  - Unfunded actuarial accrued liability
  - Actuarial accrued liability
  - Actuarial value of assets
  - Normal cost
  - Annual required contribution of the employer as a level dollar amount and as a level percentage of covered payroll
  - Net OPEB obligation for employer disclosure under GASB Statement 45, if necessary.
2. Prepare the necessary material for the audit report to comply with GASB OPEB reporting and disclosure requirements.
3. Determine the implicit rate subsidy, if any, and the impact it would have on the OPEB liability.
4. Provide recommendations on managing the OPEB liability.

#### Section 4 – Selection Criteria

The selected firm will be given written notification of being selected by the City. Firms shall be ranked on the following:

1. Compliance with the RFP.
2. Expertise, experience and qualifications of the firm, and its personnel.
3. Current and projected workload and ability to complete the work by desired completion date.
4. Performance on all projects within the past three (3) years.
5. Experience working with governmental agencies.
6. Size of the firm submitting the proposal relative to the size of the project.
7. Price and timeline as indicated in the proposal.

Section 5 – Contract Awards

Each proposal will be reviewed by City personnel and a recommendation made to the City Council. The City anticipates entering into a written contract with the vendor who submits the proposal judged by the City to be most advantageous.

The City reserves the right to reject all proposals, to abandon the project, or to re-advertise or solicit other proposals. The City may, in its discretion, waive any informalities, technicalities and irregularities contained in a proposal or in the manner of its submittal and award a contract to the vendor who, in the city's opinion, has submitted the proposal most advantageous to the City.

Section 6 – Cost and Fee Arrangements

The proposal must provide a maximum "not to exceed" cost for the project based on the project as described herein. Additional recommendations and services or options may be included as additions to the project on an optional basis.

Section 7 – Procurement Rules and Information

Deadline/Instructions for Submission:

For consideration to be given to any proposal submitted pursuant to this RFP, three (3) paper copies of the RFP materials must be received by 4:00 p.m. on Friday, March 27, 2009 at the address listed below:

Actuarial Service Proposal  
City of Menasha  
ATTN: Thomas Stoffel/Comptroller/Treasurer  
140 Main Street  
Menasha, WI 54952

A vendor may submit the proposal by personal delivery, or by mail, but not by facsimile.

Insurance Requirements:

Successful vendor shall purchase and maintain through the contract period workers compensation, comprehensive general liability, comprehensive automobile liability, and other insurance as is appropriate for the project being performed hereunder by the vendor, its employees, subcontractors or agents. The successful vendor will provide a certificate of insurance with the following limits: \$250,000/person, \$500,000/accident, \$100,000/property damage, \$1,000,000 excess automobile liability; general liability with limits of not less than \$1,000,000 per occurrence, and \$1,000,000 per aggregate. The City of Menasha will be named as additional insured on the policies.

Contact Person:

Thomas Stoffel  
Comptroller/Treasurer  
140 Main Street  
Menasha, WI 54952  
920-967-3630  
Fax: 920-967-5271  
Email: [tstoffel@ci.menasha.wi.us](mailto:tstoffel@ci.menasha.wi.us)

Proposed Calendar of Events:

<u>Date</u>	<u>Action</u>
February 27, 2009	Issue RFP, mail to vendors
March 2, 2009	Advertise RFP on City Website
March 27, 2009	Proposal due no later than 4:00 p.m.
April 6, 2009	Council approval of recommended vendor
April 8, 2009	Contract signed
June 30, 2009	Completion of actuarial evaluation