City of Canton

Request for Proposal

457(b) Deferred Compensation Plan

and 401(a) Defined Contribution Plan

ICMA-RC

BUILDING PUBLIC SECTOR
RETIREMENT SECURITY

Submitted by ICMA-RC

Proposal Due: September 2, 2016

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EXECUTIVE SUMMARY

Our Qualifications

ICMA-RC is a non-profit, independent financial-services corporation dedicated to serving public sector retirement plans exclusively. Since our founding by the public sector and for the public sector in 1972, we've offered administrative, record keeping, education, and investment services designed to meet the needs of public sector plan participants.

Our approach to new clients begins with a seamless transition process that minimizes the impact on both your participants and your benefits staff. ICMA-RC will work with the City of Canton to re-energize the plan by improving service levels for your participants, lessening the workload for your staff, and making a broad fund line-up available.

Our service-delivery platform is a dependable, value-added system that helps you meet the retirement-planning needs of your participants. We will be your partner in delivering these retirement services, and we are committed to providing the solutions that address the unique needs of your plan.

- **Commitment to the Public Sector.** ICMA-RC is dedicated to providing retirement plans tailored to meet the needs of public sector employees. While the size of our firm has grown dramatically, our mission remains the same. It encompasses 9,600 plans representing over 1.2 million plan participant accounts and approximately $47.7 billion in assets under management and administration, including $419.6 million in assets from plans in Georgia.[1]
- **Experienced Team.** Art Flattich, Regional Vice President, is responsible for ensuring that the City receives prompt, accurate, and consistently exceptional service. He will monitor service delivery and will be your contact for additional plan, investment, and contractual issues, while also providing guidance and support to your participant service representative in delivering educational service for your plans. Your representative will deliver an on-site education program to meet the specific objective of your program and to address each employee's needs.
- **Comprehensive Communications and Education Program.** ICMA-RC will provide educational services to meet the City's requirements. Core features include communication materials tailored to the plan's features and investment options; marketing campaigns to enhance employees' knowledge and spur participation; group seminars led by the representative covering a wide range of topics, and individual educational meetings featuring personalized benefit illustrations; a Web-based series of educational seminars; and independent online investment advice.[2] Our approach will assist you in meeting your fiduciary responsibility by delivering comprehensive retirement-planning education.
- **Easy Administration.** Our focus on plan sponsors' needs has driven our technological initiatives to simplify administration and reduce paperwork. You and your participants can perform transactions such as enrollments, deferral changes, fund transfers, participant address changes, withdrawals, and loan requests online. ICMA-RC's website, www.icmarc.org, offers a wide range of financial education in a variety of formats that participants can use to learn more at their convenience.

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[1] Data as of June 30, 2016. Includes 457, 401, Retirement Health Savings (RHS) plans, Employer Investment Program (EIP) plans, and affiliated IRAs.

[2] Investment advice and analysis tools are offered to participants through ICMA-RC, a federally registered investment adviser. Investment advice is the result of methodologies developed, maintained and overseen by the Independent Financial Expert, Morningstar Investment Management LLC. Morningstar Investment Management LLC is a registered investment advisor and subsidiary of Morningstar, Inc. Morningstar, Inc. and Morningstar Investment Management LLC are not affiliated with ICMA-RC. All rights reserved. The Morningstar name and logo are registered marks of Morningstar, Inc.

- **On-Site Service Commitment.** We'll work closely with the City to design a service program that meets your participants' specific needs, conduct regular plan reviews, and make necessary adjustments as the plan evolves.
- **Competitive Fees.** ICMA-RC offers the City competitive fees. For a full description of our fees, please see the fee description included in our bid response.
- **Public Sector-Focused plan Investment Options.** Our proposal includes a fund lineup designed to simplify the investment process for participants. This lineup includes a diverse mix of funds that enables your participants to create an investment strategy that is consistent with their age, investment objectives, time horizon, and comfort with risk.
  - **Plus Fund - Stable Value Fund**. Our proposal includes a pooled stable value fund, which is the "product of choice" for public sector deferred compensation plans. Pooled stable value funds have broad diversification and liquidity. Unlike insurance company general accounts, pooled stable value funds generally have a greater degree of transparency, allowing the investor to view the underlying investment instruments, applicable portfolio yield, and expense ratios. Our VT PLUS Fund has never had contingent deferred sales charges or market value adjustment penalties that would hinder our clients from making sound fiduciary decisions.
  - **Risk-Based (Lifestyle) Funds.** The VT Vantagepoint Model Portfolio Funds[1] are designed with a specific risk profile in mind. Investors who have a feel for their "risk profile" have the opportunity to select one of five fully diversified funds based upon their risk profile
  - **Time-Based (Lifecycle) Funds.**[2] One of the most popular types of funds offered by deferred compensation and defined contribution plans today are time-based funds, managed to a specific target date or retirement date. The VT Vantagepoint Milestone Funds[3] are diversified funds that are designed for employees who wish to invest once in a single fund that becomes progressively more conservative as the employee's retirement or target distribution date draws near. These types of funds offer a professionally managed investment solution for employees who wish to delegate important asset allocation decisions to investment professionals. We have a complete series of age-based funds available for selection by the City.
- **Transition Experience.** We will leverage our experience in transitioning plans from Nationwide and Lord Abbott in order to minimize the impact on your staff. Your local Retirement Plan Specialist will provide on-site transition meetings introducing ICMA-RC to new participants and explaining how to access our website and other services. You can select your level of involvement in our scalable process, with confidence that your plan will be fully available to all participants on the go-live date.
- **Proven Service Performance.** Loyalty to ICMA-RC is one of the most astute measures of their satisfaction with our service performance. Our 11-year 99%+ client retention rate[4] is a testament to the integrity with which we serve our clients and the trust they have developed in ICMA-RC.

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[1] Please read Making Sound Investment Decisions: A Retirement Investment Guide and the accompanying VantageTrust Fund Fees and Expenses document ("Guide") carefully for a complete summary of all fees, expenses, investment objectives and strategies, and risks. Investors should carefully consider this information before investing. For a current Guide, contact ICMA-RC by calling 800-669-7400 or log into your account at www.icmarc.org.

[2] The fund is not a complete solution for all of your retirement savings needs. An investment in the fund includes the risk of loss, including near, at or after the target date of the fund. There is no guarantee that the fund will provide adequate income at and through an investor's retirement. Selecting the fund does not guarantee that you will have adequate savings for retirement.

[3] Please read Making Sound Investment Decisions: A Retirement Investment Guide and the accompanying VantageTrust Fund Fees and Expenses document ("Guide") carefully for a complete summary of all fees, expenses, investment objectives and strategies, and risks. Investors should carefully consider this information before investing. For a current Guide, contact ICMA-RC by calling 800-669-7400 or log into your account at www.icmarc.org.

[4] For the period ending December 31, 2015.

We hope that, through this proposal response, we can convey to you that we are the firm best suited to meet the City's needs. We believe that no firm has more relevant experience or will take better care of the City's plan participants than ICMA-RC.

If you have any questions about this proposal, please contact Cary Scaglione, Managing Director, Core Markets, at 866-731-1059.

ICMA-RC
BUILDING PUBLIC SECTOR RETIREMENT SECURITY

SIMPLIFY WITH A SINGLE PROVIDER

If your retirement plan is administered by more than one provider, should you consolidate to a single one?

More than one retirement plan provider can add complexity that hinders your plan administration responsibilities and negatively impacts your employees' saving and investing decisions. If structured correctly, a single provider can address these concerns while still providing effective choice.

Why Consider Consolidating to a Single Provider?

1. **Fiduciary oversight** — your fiduciary responsibilities include monitoring both plan investments and participant data, and the plan provider or providers. The multiple provider approach can make it difficult for you to effectively meet your fiduciary obligations.

2. **Opportunity for more favorable pricing** — a single provider is more likely to be able to offer favorable pricing due to economies of scale, which in turn impacts participant returns.

3. **Simplified plan administration and communications** — a single point of contact means streamlined processes, forms and messaging. You can save time because fewer plan resources are required to coordinate efforts among the providers, and you can more easily communicate plan benefits to employees.

4. **Cohesive services and education** — a multiple provider approach can lead to an excess "sales" focus as each provider is pressured to compare themselves to others in response to employer and employee questions. A single provider can better focus on helping employees prepare for retirement, improving participant outcomes and retaining plan assets.

5. **Better participant understanding and decisions** — Most individuals do not make sound decisions when faced with excess choices. For example, the more investment options available, the more likely individuals will:
   a) not make any choice and, thus, not participate
   b) choose the simplest option, regardless of suitability
   c) choose an unnecessarily complex portfolio because of confusion about how to prioritize

   Multiple providers mean additional messaging, services, and investments, compounding the information employees have to navigate.

Appropriate Choice with a Single Provider

Opting for a single plan provider still allows a wide range of employee needs to be met. For example:

- A plan sponsor can expand the universe of investment options, and make available more options to a select group of participants, through open architecture and a brokerage window.
- The plan provider can provide a variety of educational content and mediums, and tailor those communications to select groups, in order to meet varying learning styles.
- The plan provider can also make available a diverse range of product and services, including financial plans, IRAs and retiree health accounts, which address different individual financial goals and challenges.

For over 40 years, ICMA-RC has focused exclusively on helping public sector employees build a comfortable retirement. Through years of experience, we've created a path to simple and seamless plan management. Learn how we can help you — contact your ICMA-RC representative or call Plan Sponsor Services at 800-326-7272.

SERVING THE PUBLIC SECTOR

HOW WE HELP PLAN SPONSORS

ICMARC

BUILDING PUBLIC SECTOR
RETIREMENT SECURITY

ICMA-RC HELPS YOU MANAGE YOUR:

- ADMINISTRATIVE RESPONSIBILITIES
- RECORDKEEPING RESPONSIBILITIES
- FIDUCIARY RESPONSIBILITIES

Plan Documents and Administrative Services

ICMA-RC 457 and 401 plan documents are designed to provide employers and participants with as much flexibility as possible within IRS guidelines. Adopting ICMA-RC plan documents relieves you from the burden and cost of updating plan documents in response to changes to the tax code and related regulations.

We process a wide range of participant requests — including payroll or ACH loan payments, emergency withdrawals, and catch-up contributions — to help you address routine administration.

Technology and Reporting for Plan Operations and Monitoring

EZLink, our secure online system for plan sponsors, helps you simplify administrative tasks and track plan activity.

www.icmarc.org/ezlink

Our Plan Service Reports include customized plan activity that is updated quarterly to help you measure goals and milestones.

Legislative and Regulatory Updates

We actively monitor activity that may impact retirement benefits and communicate to you the key information through our Employer Bulletin newsletter, our public website, customized letters, emails, and EZLink messages.

- www.icmarc.org/employerbulletin
- www.icmarc.org/legislative

Participant Education

We work with you to deliver financial education to employees of all ages and income levels and varying learning styles.

- Our representatives include local Retirement Plans Specialists and CERTIFIED FINANCIAL PLANNER™ Professionals.
- Over 50 financial education seminars and workshops that can be delivered on-site or online.
- Resources, including practical technology tools, are available online through RealizeRetirement® and our mobile app.
  - www.icmarc.org/realize
  - www.icmarc.org/mobile-app.html

OUR COMMUNICATION MATERIALS ENGAGE AND INFORM EMPLOYEES, THUS REDUCING THE BURDEN ON YOU TO PROVIDE PLAN NOTIFICATIONS AND EFFECTIVE EDUCATION

Retirement Planning Products & Services

We help participants save and invest for retirement with tax benefits, convenience, and flexibility through:

- 457 and 401 retirement plans — www.icmarc.org/457 | www.icmarc.org/401
- Retirement Health Savings plans — www.icmarc.org/rhs
- IRAs, including Payroll IRAs

A wide and complementary range of investments are available — www.icmarc.org/investments.

Advice and financial planning services help participants with retirement planning and their overall personal finances.

- www.icmarc.org/guidedpathways
- www.icmarc.org/financialplans

Serving the Public Sector Since 1972

ICMA-RC is a non-profit independent financial services corporation focused on providing retirement plans and related services for more than a million public sector participant accounts and over 9,000 retirement plans. Our mission is to help build retirement security for public employees. We deliver on our mission by focusing on service, quality, and value.

All of our retirement programs, administrative services and educational tools have been developed specifically for public sector retirement plan administrators and participants. Our client retention rate is one of the highest of any public sector retirement plan provider.

Contact your ICMA-RC representative, Plan Sponsor Services at 800-326-7272, or www.icmarc.org to learn more.

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