

**IN THE CHANCERY COURT OF JACKSON COUNTY, MISSISSIPPI**

IN RE: Singing River Health System Employees' Retirement Plan and Trust  
Almond, et al. v. Singing River Health System, et al.; Cause No. 2014-2653  
Thompson, et al. v. Singing River Health System, et al.; Cause No. 2014-2695  
Bosarge, et al. v. Singing River Health System, et al.; Cause No. 2014-2729  
Aguillar, et al. v. Singing River Health System, et al.; Cause No. 2014-2753  
Drury, et al. v. Singing River Health System, et al.; Cause No. 2015-0001  
Broun, et al. v. Singing River Health System, et al.; Cause No. 2015-0027  
Eiland, et al. v. Singing River Health System, et al.; Cause No. 2015-0030  
Lay, et al. v. Singing River Health System, et al.; Cause No. 2015-0060

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**REPORT BY SPECIAL FIDUCIARY TRACI M. CHRISTIAN**

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Pursuant to the appointment of Traci M. Christian as Special Fiduciary of the Singing River Health System Employees' Retirement Plan and Trust (the "Plan"), the Court has requested a monthly report. The Special Fiduciary brings to the Court's attention the following items for the month of April, 2018.

1.

The website maintained by the Special Fiduciary has been updated to include all court reports made by the Special Fiduciary. Communications to participants are posted at least once per month. An additional feature was added whereby participants can enter their e-mail addresses and receive automatic notifications any time the website is updated. For reference, the web address is [www.singingriverretirement.com](http://www.singingriverretirement.com).

2.

In an effort to reduce plan administrative costs, the Special Fiduciary has begun the process of preparing and issuing "Requests for Proposals" (RFP's) for the following services: Investment Management, custodial, administrative, and actuarial.

The RFP for actuarial and administrative services was released on Friday April 6. Interested firms have six weeks to respond. In addition to McCloud and Associates, ten other firms were directly invited to bid. The RFP was also posted on the Singing River Hospital website as well as sent to three other websites for governmental RFP's.

A copy of the Request for Proposal for Actuarial and Administrative Services is attached to this report.

3.

During the hearing on March 27, the Court reviewed the proposed Investment Policy Statement and expressed an interest in the rationale behind the various target allocation percentages relative to other similar type plans. The Special Fiduciary shares the courts interest and has been working closely with Fiduciary Vest, the Plan's independent investment advisor, to study the target allocations to determine if they are in fact appropriate or if they should be changed.

Attached to this report is a page from the last quarterly report showing how the Plan's allocations among investment classes compares with approximately 500 other similar funds. This graph indicates that the fund is noticeably over-weighted relative to other similar funds in alternative investments and real estate as investment classes. This graph indicates that the fund is noticeably under-weighted relative to other similar funds in exposure to International Equity as an investment class.

The Special Fiduciary has taken some action and is currently in communications with Fiduciary Vest to make changes in the coming months and years to decrease exposure to those sectors where the fund is over-weighted and to increase under-weighted classes so that the fund remains soundly invested for the long term.

These changes may require amendments to the Investment Policy statement. The Special Fiduciary requests the Court's approval to make these changes to the Investment Policy statement in conjunction with quarterly reports to the Court on such recommended changes.

4.

On April 12, 2018 the Court issued an order directing that changes be made to the benefits provided by the Plan effective immediately. The Special Fiduciary has taken immediate action to comply with the order as follows:

Regarding the immediate reduction of benefits: The Special Fiduciary will confer with Plan counsel as to how best to amend the Plan to comply with this directive.

As of this day, Transamerica, the Plan's current administrator and record keeper has been directed by the Special Fiduciary as follows:

- Immediately send a letter drafted and provided by the Special Fiduciary to current annuity payees informing them of the benefit reduction.
- Reduce all current payee annuity benefits by 25% - effective with the May 1, 2018 payments.
- Reduce all accrued monthly benefits for all other Plan participants by 25% - these reduced amounts are to be used for the ongoing administration of benefits until further notice.
- Continue to process any election forms that may be currently in process – with the application of the 25% reduction.
- Provide to the Special Fiduciary, as soon as possible, an updated database of all Plan participants showing their original accrued benefit or benefit in pay status as well as their reduced accrued benefit or benefit in pay status.
- Continue to process requests for returns of employee contributions with interest to Terminated Participants, Vested or Non-Vested or inquiries of these amounts to these participants. Returns of Employee Contributions are not subject to the 25% reduction.

Transamerica has indicated their ability to comply with the above directives.

Regarding the Return of Contribution Option: The Special Fiduciary will confer with Plan counsel as to how best to amend the Plan and prepare the Plan administrator to offer this option to current employees.

Regarding the cost of living increases: The Special Fiduciary will confer with Plan counsel as to how best to amend the Plan to comply with this directive.

The Special Fiduciary will continue to report to the Court as the other directives are implemented.

THIS, the 13th day of April, 2018

Respectfully submitted,



TRACI M. CHRISTIAN

## **INTRODUCTION**

### **A. General Information**

The Special Fiduciary for the Singing River Health System Employees' Retirement Plan and Trust (the "Plan"), invites firms to submit responses to this Request for Proposal (RFP) for providing actuarial and benefit administration services for the Plan.

### **B. Background**

This Plan is frozen and under the supervision of the Chancery Court of Jackson County, Mississippi. The Court has appointed a Special Fiduciary to oversee the investment management and administration of the Plan. The Plan provides pension benefits to employees of the Singing River Health System.

The plan's statistics are as follows using data from the most recent actuarial valuation:

Participants

Assets – Approximately \$125M

Active participants - 910

Retirees & Beneficiaries currently receiving benefits - 751

Vested Terminated – 174

Non-Vested Terminated due a return of contributions - 905

## **SCOPE OF SERVICES**

- Actuarial
  - Transition from prior actuary
  - Deliver a comprehensive written valuation report
  - Provide information on legislative and regulatory changes
  - Attend at least one meeting annually to present the valuation report
  - Assist the Plan's auditor as needed
  - Prepare benefit calculations
  - Prepare special studies of benefit adjustments or reductions as requested
- Administrative
  - Maintenance of demographic database including benefits and contact information – with updates from the Health System and the Special Fiduciary.
  - Communication to participants regarding individual plan benefits
  - Coordination of paperwork with plan participants, actuary and custodian to facilitate the payment of benefits
  - Distribution of annual statements and/or other communications to Plan participants as requested
  - Update of information annually regarding cost of living adjustments if applicable
  - Update of Employee Contributions with interest
  - Assist in Domestic Relations Order (DRO) qualification process and prepare a model DRO
  - Attend quarterly meetings and present updates to the Special Fiduciary as needed

Currently, most of the above services are provided by Transamerica. Transamerica also provides custody services of a portion of the Plan's assets held in a bond mutual fund and handles the processing of benefit payments through this fund. Transamerica currently charges a retainer for their base services of approximately \$256,000 annually plus additional charges for special projects. It is not necessary for responses to this proposal to include custody or benefit processing services although this is optional. If these additional services are included, fee quotes should be broken out accordingly so that a reasonable comparison of fees between firms can be made.

## **SUBMISSION REQUIREMENTS**

It is permissible for a firm to bid solely on the actuarial services or solely on the administrative services.

The proposal for services must, at a minimum, include the following:

- The firm's name, address of the office providing services under the contract, telephone number and e-mail address.
- A general description of the firm, including size, number of employees, primary business, and other business or services offered.
- Identification of supervising consultant who will have responsibility for this engagement, as well as identification of other personnel who will be performing work on the engagement.
- Identification of any portion of services that may be "outsourced" to another firm within the scope of the engagement.
- Summary information regarding the qualifications and professional experience of supervising and support consultants and other personnel who will perform work under this engagement.
- Description of the firm's experience in providing similar actuarial, administrative and consulting services for public employee retirement plans and a list of public employee retirement plans, including contact/reference information, for which similar services have been provided as those identified under the "Scope of Services" in this document.
- Description of the firm's understanding of the requested services including the proposed approach, fee schedule and timetable for providing the requested services.
- Signature of a representative of the firm with acknowledgement that such individual is authorized to bind the firm contractually.

## **SELECTION CRITERIA**

All proposals will be reviewed to determine compliance with requirements of the RFP. Primary factors in the evaluation include, but will not necessarily be limited to:

- Experience of the firm and staff in providing consulting services to public pension plans.
- Qualifications and experience of the assigned staff, particularly regarding relevant experience with public pension plan services.
- The ability of the firm to provide the requested services as demonstrated in the proposal.
- Proposed fees and work schedules related to the assignment.

## **SUBMISSION OF PROPOSAL AND OTHER RELATED INFORMATION**

Proposals should be brief and concise (6-10 pages) with electronic responses preferred. A sample actuarial report may be attached but is not required.

Questions and requests for additional information should be submitted by April 27<sup>th</sup>. All questions and requests will be addressed via e-mail to all firms who make inquiries.

The deadline for proposal submission is **3:00 P.M. on Friday, May 18, 2018**. If submitting in hard copy form, three copies of the proposal are recommended. All responses should be delivered by the stated deadline either electronically or by hard copy to:

Traci M. Christian  
Special Fiduciary  
Singing River Health System Employees' Retirement Plan and Trust  
5008 W 129<sup>th</sup> St  
Leawood, KS 66209  
913-515-4695  
[Traci@etaros.com](mailto:Traci@etaros.com)

Questions regarding the RFP should be directed to the contact listed above. A copy of the most recent actuarial report is available upon request. A proposal may be withdrawn any time prior to the deadline by written notification. The proposal may be resubmitted with any modifications, prior to the deadline.

The Special Fiduciary reserves the right to accept or reject any and all proposals, to choose different firms for each service, or to choose no firm. Responses should include costs for three years. The Special Fiduciary reserves the right to negotiate for annual extensions after the original three year period.

Respondents are encouraged to research the litigation surrounding this Plan. Some history and documents can be found at [www.singingriverretirement.com](http://www.singingriverretirement.com).

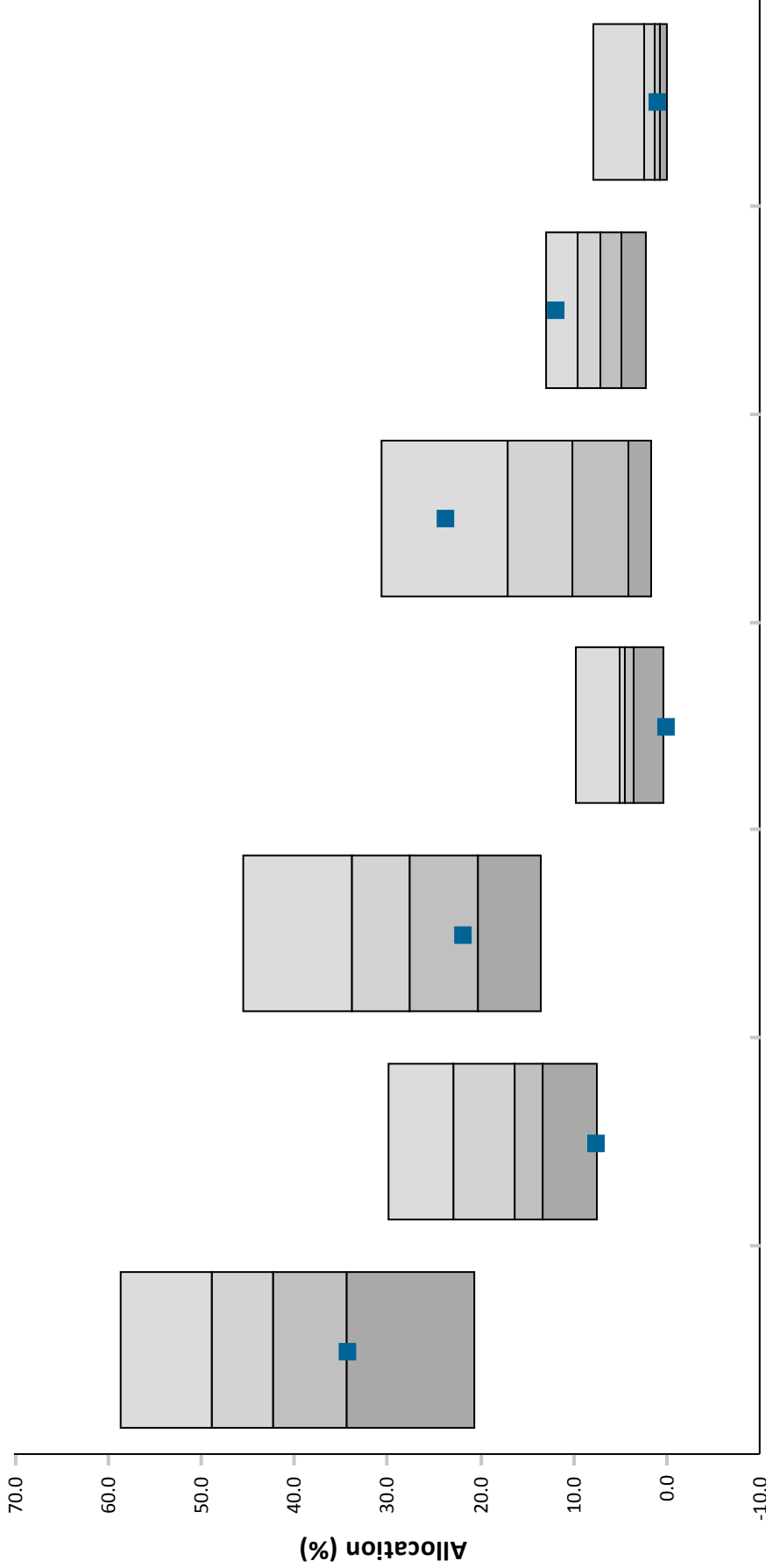


## Singing River Health System Employees' Retirement Plan & Trust

### Investment Performance Report

Periods ended 12/31/2017

**Plan Sponsor Asset Allocation**  
**All Public Plans-Total Fund**



	US Equity	Intl. Equity	US Fixed Income	Intl. Fixed Income	Alternative Inv.	Real Estate	Cash
<b>Total Plan</b>	<b>34.3 (76)</b>	<b>7.5 (96)</b>	<b>21.8 (72)</b>	<b>0.0</b>	<b>23.7 (12)</b>	<b>11.9 (9)</b>	<b>0.9 (65)</b>
5th Percentile	58.7	30.0	45.5	9.7	30.6	13.0	7.9
1st Quartile	49.0	23.0	33.9	5.1	17.2	9.7	2.3
Median	42.3	16.4	27.7	4.4	10.2	7.1	1.3
3rd Quartile	34.4	13.3	20.3	3.6	4.2	4.8	0.7
95th Percentile	20.8	7.5	13.5	0.3	1.7	2.3	0.1

Parentheses contain percentile rankings.

