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555 Lakeshore Blvd. Painesville Twp., OH 44077

March 20, 2025

Request For Proposals for Financial Advisory Services RFP #2505

Questions & Answers

Q1. What is the size of the investable assets?

A1. The initial portfolio to be managed is right around \$30M.

Q2. Section 1.8 Insurance appears to apply more to the trades than to financial advisory firms. I do business as [redacted] LLC, but I am an Investment Advisor Representative for an SEC registers advisory firm called [redacted] LLC. I do not have employees and do not hire subcontractors and therefore, not carry Workers Compensation coverage. Also, my commercial liability coverage needs are less than what is listed. Would this disqualify me from submitting a proposal?

A2. Laketrان agrees that the workers comp is not necessary if the advisor is a solo practitioner. The following is required: Errors & Omissions/Professional Liability; \$1 million Commercial General Liability ("CGL"), Cyber Liability, and Crime. Proposers will be required to submit proof of appropriate bonding and valid licensing to conduct business. Because this an additional requirement, Laketrان will issue Addendum #1 with this clarification.

Q3. Are the assets being invested part of a 401(k) or pension?

A3. No

Q4. Who currently manages the investment portfolio?

A5. Fifth Third Bank

Q5: To guide our response, could you provide your current Investment Policy Statement and additional portfolio details?

A5: The current investment policy is attached to the end of the RFP. However, the investment policy has not been updated in quite a few years. Laketrان would look to the winning firm to help refine, update, and craft a new policy.

Additional portfolio details: The portfolio currently valued at approximately \$29.5M consists of various CD's, US Treasury Securities, and US Government Bonds. Over \$10M of the current investments will mature in 2025.

Q6: If possible could you please help me with a few questions regarding the insurance requirements (section 1.8)? Specifically, could you please tell me more about requirement "g"? We're wondering which policies are to include Laketrان et. al. as additional insured. Does this pertain to all required policies a through f? Is it possible to provide an example?

A6: Per Laketrان's attorney: Typically, we just add an additional insured to a CGL policy and (property – depending upon the risk and relationship) and in some cases you may be able to add an additional insured to an E&O policy but not always.



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Q7. Is Laketrans specifically looking for an Advisor to handle the investment portfolio? Or would Laketrans consider using a broker dealer for investment services?

A7. Laketrans is not necessarily looking for just an advisor to handle the investment portfolio, and we will consider using a broker dealer for investment services. That said, we very much want a person or firm with experience and knowledge dealing with government agencies, as well as significant experience and knowledge around the restricted investment options. Optimally, this person or firm will help guide us with investment decisions to maximize our return and lower costs.

Q8. Who is the custodian for these assets and are you open to the financial advisor also holding the assets?

A8. Currently, 5th/3rd Investment Securities is the custodian for these assets, and we are open to the financial advisor holding the assets. How this would look and operate is open for consideration. Please describe in your proposal how your firm intends to handle this and the benefits of your proposed solution.

Q9. The "Ohio stop gap employer's liability with a \$1 million limit" is not something we offer. Is this something that is mandatory for Laketrans? Any clarification on the insurance requirements is appreciated.

A9. From Laketrans's attorney: "the stop gap coverage would not really be critical for a financial services company/person who is acting as an independent contractor for us – assuming any illness or injury is quite different for a financial advisor as opposed to a labor service contractor working on site." So, it can be waived as a requirement, but proposers should make note of this exception in their proposal.

Q10. We are requesting clarification regarding the following - *1.20 Award of Contract - Laketrans reserves the right to award one, more than one or no contracts as Laketrans deems to be in its best interests. If an RFP, Laketrans further reserves the right to make an award on the basis of an original proposal(s) without any negotiating with any offeror* . [Redacted] is pleased to submit a response for providing investment management services for Laketrans. This response is not intended to be and is not a legally binding response, and instead reflects the points from which additional negotiations between [Redacted] and Laketrans might start regarding the funds described in the RFP. As part of our response, we are attaching the *One Wealth Agreement* ("OWA") that we would expect to sign with Laketrans, which will govern the relationship between [Redacted] and Laketrans. Further, [Redacted] reserves the right to withdraw from any such subsequent negotiations and to decline to serve as investment manager, custodian or in any other capacity in connection with the funds described in the RFP. Please confirm or clarify if this is a correct interpretation of the sentence above or otherwise provide additional direction regarding the intent.

A10. Section 1.20 is interpreted by Laketrans to allow our organization to award a contract on the basis of the proposal that is submitted. Laketrans interprets award of a contract separately



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from executing a contract. Award is the action that the Board of Trustees takes that authorizes Laketrans staff to enter into negotiations and begin the contracting process. Section 1.20 is not intended to limit negotiations of terms and conditions, be legally binding, or restrict withdrawal. If negotiations cannot reach a compromise that is acceptable to both parties, a contract is not executed. It must be stated that Laketrans, as a government entity, will not indemnify our business partners.

Q11. Regarding compliance with Ohio law and state filing requirements, can you provide an overview of the Ohio regulations you are referring to specifically?

A11. Proposer shall be in good standing and compliant with any and all state and federal laws and regulations and shall possess a valid and current license from any applicable regulatory authority.

Q12. Given your current relationship with an investment advisor and past practices, would Laketrans board provide guidance to the investment advisor in this regard?

A12. Laketrans Board of Trustees will not be involved in managing the Financial Advisor. Laketrans Board of Trustees are volunteers appointed by the County Commissioners. This is not a corporate board. The winning firm/advisor will work closely with Laketrans Director of Finance. The Financial Advisor will be expected to make a presentation to the Board of Trustees annually, answer the Board's questions, justify the choices that were made or investment strategy, and incorporate any feedback.

Q13. I am not seeing Addenda A - Pricing form. Was that included in the packet? Can you provide it if it was omitted from my packet?

A13. Attachment A is not required. Please include a cost proposal as described in Section 3.3.

Q14. Do we need to get all of these Addenda notarized or do we need attachment E – G notarized?

A14. All forms must be completed. Attachment E, Attachment F, and Attachment G must be notarized. This is a condition of responsiveness.