



*Educare Central Maine  
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Bill & Joan Alfond Family Foundation

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Rabbi Rachel Isaacs  
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KVCAP Board of Directors

Eric Haley  
Former Waterville Public Schools

Jeremy Fischer  
Drummond Woodsum

Samuel Hight  
Hight Family of Dealerships

## Request for Proposal

### Wealth Manager Services for the period

May of 2024  
to  
April 30, 2030

Doug Mitchell  
Chief Financial Officer  
Kennebec Valley Community Action Program  
Telephone: (207) 859-1575  
Email: [dmitchell@kvcap.org](mailto:dmitchell@kvcap.org)

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**Kennebec Valley Community Action Program  
101 Water Street  
Waterville, ME 04901**

Proposals Due:  
June 12, 2024

Interviews Conducted:  
July of 2024

## I. GENERAL INFORMATION

### A. **Introduction and Purpose:**

**Educare Central Maine** is a comprehensive early learning and development school in Waterville, Maine. Educare Central Maine will provide, model and extend high quality early care and education practices to young children, their families and communities to improve school readiness and close the achievement gap. We provide childcare and preschool options to families with children birth to age five who are facing barriers to accessing high quality early learning. As part of the [Educare Learning Network](#) — one of the nation’s most effective early childhood education programs –we make sure financially disadvantaged young children have the best possible chance for success in life. Our approach extends beyond the classrooms to help children, families and communities thrive with our **Lab School and Learning Hub** professional development and technical assistance offerings.

Educare Central Maine promotes high-quality learning by ensuring our teachers have the education credentials (including bachelor’s degrees for lead teachers) to engage and support their students. We use tested methodologies and curricula to teach children the skills they will need for success in kindergarten and beyond.

Educare Central Maine is a partnership among Kennebec Valley Community Action Program, Waterville Public Schools, Buffett Early Childhood Fund, and the Bill and Joan Alford Foundation.

Interested parties are encouraged to visit our website at [www.educarecentralmaine.org](http://www.educarecentralmaine.org) to learn more about our agency. By clicking on “About” and “Our School” you will find specific information, including programs and children served, relating to Educare Central Maine on the website.

### B. **Scope of Work and Who May Respond:**

Educare Central Maine places importance on developing and maintaining a quality investment portfolio, which includes a long-term strategy with moderate risk and high yield will be critical priorities.

In 2009, when KVCAP and the other founding members of Educare Central Maine were successful in their proposal to establish the first Educare Center in New England in Waterville, Maine, the planning process included the established of a fundraising goal that would include not only the funds needed for the building development, but also the establishment of an endowment. The intent of establishing the endowment was to have a fund available for not only major facility needs that may arise, but also to be able to fund programming should a quality gap arise between grant funding and participant fees for services. In 2010, work began with a consultant to participate in a Low Income New Markets Tax Credit transaction that would help to raise the funding needed to establish the endowment. This application was successful and in late 2018,

after the compliance period for the tax credit transaction was met, the funds were released from the investor and by March of 2019, the endowment fund was established. (Please refer to Investment Committee guidelines as an attachment to this RFP document).

The selected firm and representative wealth manager will work primarily with Educare Central Maine's Board and/or Investment Committee on investment portfolio strategies that maximize the return on investments. Applicants should bring a strong knowledge of investments, stock market trends and experience with other non-profits (non-profit references preferred). Educare Central Maine is not only seeking a wealth manager/broker, but also a wealth management advisor.

Wealth management firms that can offer these comprehensive investment services are encouraged to submit a proposal.

**C. Questions & Conditions:**

1. Questions regarding this Request for Proposal should be directed to Doug Mitchell, Chief Financial Officer at 207-859-1575 or by email at [dmitchell@kvcap.org](mailto:dmitchell@kvcap.org).
2. Investments reported on Educare Central Maine internal reports totaled over \$1,900,000 (FMV) as of January 22, 2024.
3. Conditions of Proposal: All costs incurred in the preparation of a proposal responding to this Request for Proposal will be the responsibility of the wealth manager and *will not* be reimbursed by Educare Central Maine.
4. Instructions to Prospective Brokers: Your proposal should be electronically submitted on or before June 12, 2024:

**Doug Mitchell, Chief Financial Officer**  
**Kennebec Valley Community Action Program**  
[dmitchell@kvcap.org](mailto:dmitchell@kvcap.org)

The subject line must read "*Wealth Manager Services Request for Proposal*"

**D. Review Process:**

Educare Central Maine may, at its discretion, request presentations by or meetings with any or all wealth managers to clarify or evaluate proposals.

However, Educare Central Maine reserves the right to award the contract without further discussion of the proposals submitted. Therefore, proposals should be submitted on the most favorable terms, from both technical and relevant qualifications/experience, that the wealth manager can propose. All standard fees

must be disclosed and please kindly include the firm's typical fee structure.

Educare Central Maine contemplates award of the contract to the responsible wealth manager with the highest total points. Each category below (items 1-5) will be considered before any decision.

The Board's Investment Committee will conduct the Agency's review and evaluation of the proposals as follows:

1. Proposal will be reviewed and evaluated.
2. Each proposal should include a schedule of portfolio management fees.
3. A representative from the wealth manager who best responds to the Request for Proposal may be asked to participate in oral interview about the proposal.
4. References may be contacted and evaluated.
5. Should the successful wealth manager be unable to accept the contract, the wealth manager with the next highest total score will be offered the contract.  
*Please refer to Scoring Criteria – Attachment A.*

*Footnote: Educare Central Maine, at its discretion, reserves the right to reject any and all proposals.*

#### **E. Options:**

At the discretion of Educare Central Maine, this wealth management services contract can be extended for up to three additional one-year periods.

## **II. SPECIFICATION SCHEDULE**

At a minimum, the Wealth Management Proposal shall include information on the following:

#### **A. Firm History and Experience:**

1. Brief history of your firm including years of existence, size and specialty areas. Indicate if appropriate, if your firm is a small or minority-owned business.
2. What is your company vision and mission statement?
3. Provide a representative list of your current non-profit clients and please note any clients that you have served for three or more years.
4. Describe your firm's specific experience in serving non-profit clients.
5. Identify the investment professional that will serve Educare Central Maine.

**B. Your Practice:**

1. Outline the scope of the core services your firm will provide within your standard compensation arrangement. (fees based on FMV or per trade)
2. Please describe what makes your firm uniquely qualified to work on our account.
3. What is your service philosophy?
4. If your investment firm chosen, what transition process would you provide?
5. Describe methods employed to obtain and disseminate information about current markets, trends, risk vs. reward concepts, etc.
6. Is there anything else about your firm to help us during our selection process?

**C. Confidentiality and Certification:**

Proposals must include the following statement and certification:

The wealth manager agrees to keep the information related to all investments owned in strict confidence. The broker agrees not to publish, reproduce, or otherwise divulge such information in whole or in part, in any manner or form, or authorize or permit others to do so.

The individual signing this proposal certifies that the wealth manager maintains professional liability insurance and workers' compensation, if applicable, to cover all its personnel engaged in the performance of the service herein described as well as damages arising as a result of the performance of such services.

Dated this \_\_\_\_\_ day of \_\_\_\_\_, 2024

\_\_\_\_\_  
(Wealth Management Firm Name)

\_\_\_\_\_  
(Signature of Firm Representative)

\_\_\_\_\_  
(Printed Name and Title of Individual Signing)

## Educare Central Maine - RFP Wealth Manager

### Scoring Criteria

	<b>Total Possible <u>Points</u></b>
1 Experience with non-profit agencies	20
2 Rate of Return/ performance history	15
3 Interview / presentation	15
4 Time in the financial services industry	10
5 Referrals from Non-profit agencies / schools	10
6 Client retention rate	10
7 Barron's Ranking	10
8 Assessment of management fees	<u>10</u>
<b>Total</b>	<b><u>100</u></b>

# **Investment Policy Statement**

## **Kennebec Valley Community Action Program & Educare Central Maine**

### **I. Purpose**

**A. Investment Committee:** This group, made up of board members from each board (KVCAP & Educare Central Maine) have chosen to join the investment committee.

The purpose of this group is to select the investment professional that will be managing and overseeing the investment accounts/endowment investing for both organizations. The committee will report out to the respective boards on investment activities and make recommendations to the boards if action is needed. The committee will meet annually, if need be, to review the allocation of funds and make any changes necessary to ensure the monies in the accounts are being invested in accordance with the donor's intentions.

The Committee will appoint one member to represent each organization (KVCAP and Educare Central Maine), should an emergency situation arise (stocks plummet, etc). These members will work directly with the Investment Broker to make immediate decisions in these circumstances.

**B. Investment Policy:** The purpose of this investment policy is to provide a clear understanding of the investment objectives, guidelines and policies for the investment portfolios of Kennebec Valley Community Action Program (KVCAP) & Educare Central Maine (ECM), those individuals in authority for KVCAP and ECM, the financial consultant and others.

### **II. Objectives**

**A. Overall:** This one investment committee will select the investment group/professional to work with, as well as create an investment policy that will be applied to two accounts - one dedicated to KVCAP (EIN: 01-0277678) and one dedicated to Educare Central Maine (EIN: 26-4176872). The committee will work with the investment professional to set up the initial asset allocation targets as they apply to the overall portfolios (i.e cash reserves, fixed income, equities).

**B. Investment:** The primary investment objective is to optimize total return with a moderate risk tolerance over a long-term investment horizon, utilizing well-diversified portfolios of equities and fixed income investment vehicles.

This policy may be revised annually or as needed to reflect changing conditions with a 2/3 majority vote of the investment committee.

### **III. Investment Guidelines**

The **equity** portion of the portfolios will include a diversified blend of common stocks, representing companies with strong fundamental characteristics, sustainable earnings growth and attractive valuations. Depending on the account sizes, mutual funds may be utilized to broaden diversification. The portfolios may also include a representation of small-and mid-capitalization companies (5-20%) to broaden diversification and return potential. Mutual funds and/or Exchange Traded Funds (ETF's) will be utilized for this discipline. International equities may also be included (5-20%). The **fixed income** component of the accounts will be managed through the selection of high quality bonds, generally using

a laddered approach. Bond mutual funds may also be used. Consistent with KVCAP and ECM's tax situations, taxable bonds may be used. **Cash Reserves** in the portfolios will be determined by liquidity needs.

The portfolios will be reviewed by the Investment committee twice a year to identify concentrations in individual securities (other than U.S. Government obligations and diversified money market mutual funds), with the objective that no more than 5% of each of the accounts will be exposed to any single security. Exposure to individual industries will also be monitored to avoid concentration risks.

The quality ratings of the individual bonds and notes must, at the time of purchase, be investment grade, as rated by Standard & Poor's or Moody's. The portfolio may consist of only traditional principal and income obligations (no derivatives). Mutual funds or exchange trade funds may be used; however, no more than 15% of the portfolio may be invested in high yield funds and bank notes. No more than 10% of portfolio may be invested in emerging market debt funds. No more than 10% of the portfolio is preferred stock, convertible preferred. And convertible bond funds in the aggregate.

Alternative Funds will include such investments as Real Estate Investment Trusts (Reits), Commodity mutual funds or exchange trade funds, and liquid Alternative Investments in mutual funds or exchange traded funds. The Fund may invest in only high quality, diversified, liquid real estate and preferred stock funds and non-traditional bond funds. Specific approval will be needed for commodity funds.

Rebalancing is not viewed as a performance enhancement tool, but rather as a critical part of the portfolios' risk management. Rebalancing will be initiated in the following manner: first, the financial consultant and investment committee will review the portfolios' exposure, relative to the policy, annually or as needed and make appropriate adjustments after considering the risks and relative valuations of various asset classes and projections of future portfolio liquidity needs. Asset classes may, under unusual circumstances, be under-weighted or over-weighted within the policy ranges. The annual monitoring of the portfolios' exposure will facilitate rebalancing activities and management of the portfolios' exposure within the ranges of the policy and targeted levels of exposure.

These portfolios' will not invest the account in any of the following instruments: Options, Futures or Short Sales  
Initial Public Offerings  
Non-marketable securities  
Margin accounts

#### **IV. Asset Allocation Target**

Equities - 65%	Range (50% - 80%)
Fixed Income - 30%	Range (25% - 50%)
Cash Reserves - 5%	Range (0% - 10%)
Alternatives	Range (0 - 15%)

#### **V. Spending Formula**

Should the committee determine that a withdrawal is needed within a fiscal year, a recommendation will be made to the boards of KVCAP and Educare Central Maine, for an amount of up to 4%, based on a three year trailing average, of the funds' market values on December 31st of each calendar year may be used to meet the needs of KVCAP/ECM, with a majority vote of the Investment Committee. Any amount that is not withdrawn within the fiscal year will continue to be invested as defined by this policy and is not available over and above the following year's 4% amount. If special circumstances should arise for a



withdrawal from the investment accounts that exceeds the 4% amount, a special unanimous vote of the investment committee will be required and recommendations made to the KVCAP or ECM board for final approval.

**VI. Communications and Review**

Reviews between the investment manager of the Accounts and the Investment Committee will be held on an annual basis. More frequent reviews may be needed and can be requested by either party if significant concerns arise regarding the funds' performance, the investment strategy, or if key changes occur in a personnel or organizational structure.

The following benchmarks reflect investment parameters against which portfolios performance shall be compared on a regular basis:

For equities, the benchmark comparison will be the Standard & Poor's 500 (Total Return) Index.

For fixed income, the benchmark will be the Barclay's Intermediate Government Credit Index.

For total account return, the performance benchmark will be a blend of the Standard & Poor's 500 (60%) and Barclays Intermediate Government Credit Index (40%)

Ongoing phone and written communication may be required to provide clarification and direction as necessary.

The Investment Committee should review the Accounts' performance on a bi-annual basis (mid-year and end-of-year) to evaluate the performance of the accounts.

Monthly statements of activity will be provided to the Investment Committee for review and distribution as necessary.

**VII. Modifications of Investment Policy Statement**

Any modifications to the Investment Policy Statement shall be promptly documented and disseminated to all affected parties.

The Investment Policy Statement has been reviewed and is hereby accepted by the Investment Committee on this date: December 13, 2021, and by the Boards of KVCAP and ECM:

Luis Dennis Carrillo 01/31/2022  
L. Dennis Carrillo, Esq., President      Date  
KVCAP Board of Directors

James A. Clair 01/31/2022  
James A. Clair, Chairperson      Date  
ECM Board of Directors