

FORM APPROVED COUNTY COUNSEL  
 BY: GREGORY P. PRIAMOS  
 DATE: 7/12/16

Departmental Circulation

**SUBMITTAL TO THE BOARD OF SUPERVISORS  
 COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**

732



**FROM:** Human Resources Department

**SUBMITTAL DATE:**  
 July 12, 2016

**SUBJECT:** Apply Money Market Fund changes to the County of Riverside's Deferred Compensation Plan, Money Purchase Plan, and Supplemental Contribution Plan to comply with recent rule amendments by the U.S. Securities and Exchange Commission. [District - All] [Total Cost - \$0]

**RECOMMENDED MOTION:** That the Board of Supervisors:

- 1) Authorize and approve replacement of the Vanguard Prime Money Market Investment Fund (VMMXX) with the Vanguard Federal Money Market Fund (VMFXX) and apply the the proposed money market fund change to the County of Riverside's Deferred Compensation Plan, Money Purchase Plan, Supplemental Contribution Plan, and the Deferred Compensation Plans for Riverside County Waste Resources Management District and Riverside County Flood Control and Water Conservation District; and
- 2) Authorize and approve a delegation of authority to the Assistant County Executive Officer / Human Resources Director to execute the attached Money Market Fund Direction Forms from VALIC Retirement Services Company.

Michael T. Stock  
 Assistant County Executive  
 Officer/Human Resources Director

FINANCIAL DATA	Current Fiscal Year:	Next Fiscal Year:	Total Cost:	Ongoing Cost:	POLICY/CONSENT (per Exec. Office)
COST	\$ 0	\$ 0	\$ 0	\$ 0	Consent <input type="checkbox"/> Policy <input checked="" type="checkbox"/>
NET COUNTY COST	\$ 0	\$ 0	\$ 0	\$ 0	

**SOURCE OF FUNDS:** N/A

**Budget Adjustment:** No

**For Fiscal Year:** 2016/2017

**C.E.O. RECOMMENDATION:**

APPROVE

BY:   
 Lani Sison

County Executive Office Signature

**MINUTES OF THE BOARD OF SUPERVISORS**

- A-30
- 4/5 Vote
- Positions Added
- Change Order

Prev. Agn. Ref.: | District: ALL | Agenda Number:

3-4

**SUBMITTAL TO THE BOARD OF SUPERVISORS, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA  
FORM 11: Apply Money Market Fund changes to the County of Riverside's Deferred Compensation  
Plan, Money Purchase Plan, and Supplemental Contribution Plan to comply with recent rule  
amendments by the U.S. Securities and Exchange Commission. [District - All] [Total Cost-\$0]**

**DATE: July 12, 2016**

**PAGE: 2 of 2**

**BACKGROUND**

**Summary**

Recently, the U.S. Securities and Exchange Commission amended the rules that govern the operation of Money Market Funds. The objective is to offer greater protection and transparency for fund shareholders and allow the ability to promote stability in the financial markets. However, those amendments will impose additional restrictions and fees on a plan participant's ability to withdraw or transfer monies out of certain types of money market funds during times of market stress. Under the new rules, money market funds will be required to classify themselves as either retail, institutional, government, or tax-exempt.

The money market funds currently being offered in the County of Riverside Deferred Compensation retirement plans will become subject to the new restrictions and fees, which affects the plan participant's ability to access any assets invested in those funds. In order to avoid imposing fees and/or restrictions to the money market funds currently offered by the County, a change to the current money market fund to a government money market fund is necessary. Government money market funds are not subject to the new restrictions and fees. In order to avoid imposing fees and/or restrictions to the money market funds currently offered by the County, fund changes will need to be made to the money market funds line-up by October 2016 to a government money market fund.

The existing money market fund, the Vanguard Prime Money Market Investment Fund (VMMXX), will be replaced with the Vanguard Federal Money Market Fund (VMFXX). This change will impact existing assets and future contributions that occur on or before October 14, 2016.

**Impact on Citizens and Businesses**

There is no direct impact on residents or businesses in the County of Riverside.

**ATTACHMENTS:**

Attachment A: Money Purchase Plan

Attachment B: Supplemental Contribution Plan

Attachment C: Deferred Compensation-Riverside County Waste Resources Management District

Attachment D: Deferred Compensation-Riverside County Flood Control and Water Conservation District

Attachment E: Deferred Compensation Plan

RCED SEP19/15 PM 1:10

**Money Market Fund - Direction Form**

The undersigned authorized representative of the Employer named below hereby directs VALIC Retirement Services Company ("VRSCO"), as its plan administrative service provider, and AIG Federal Savings Bank ("AIG Bank"), as its Trustee or Custodian, to exchange all shares of the money market fund currently available as an investment option in its retirement plan(s) named below ("Current Money Market Fund") to the investment option designated below (the "Replacement Investment Option") and to invest new contributions in the Replacement Investment Option until the participant changes such investment election, effective on such date as VRSCO and Employer may agree; and the Service Provider and Trust, Trust Services or Custodial (as applicable) Agreements ("Agreements") are accordingly amended and VALIC will send a revised Appendix A to your Agreements. Such amendments shall remain in full force and effect until termination of the Agreements in accordance with the terms and conditions therein and, except as specifically amended herein, the terms and conditions of the Agreements shall remain in full force and effect.

Group Name: County of Riverside

Plan Name: Riverside County Money Purchase Plan

GA Number: 53677

FORM APPROVED COUNTY COUNSEL

BY: Raymond M. Mistica 7/12/16  
RAYMOND M. MISTICA DATE

Employer Authorized Signature: [Signature]

Print Name: MICHAEL T. STOLIC

Title: ASST. CEO / HR DIRECTOR

Date: 9/6/2016

**Current Money Market Fund (to be replaced)**

**Ticker Symbol**

Vanguard Prime Money Market Inv

VMMXX

**Replacement Investment Option:**

**Insert Fund Name/Ticker or Check Box Below:**

➤ Government Money Market Fund

Fund Name: Vanguard Federal Money Market Fund

Ticker Symbol: VMFXX

(List of Available Government Money Market Funds/Tickers is provided in an enclosure)

➤ VALIC's Fixed-Interest Option (as currently available in the plan)

<u>Via mail/overnight delivery:</u>	<u>Via fax:</u>	<u>Via email:</u>
VRSCO Attn: Implementation Services 2919 Allen Parkway, L11-40 Houston, Texas 77019	Fax Number: (713) 831-4018 Attention: Implementation Services	Email address: moneymarketreform@valic.com

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Group Name: County of Riverside

Plan Name: County of Riverside Supplemental Contribution Plan

GA Number: 53677

**FORM APPROVED COUNTY COUNSEL**  
BY: Raymond M. Mistica 7/12/16  
RAYMOND M. MISTICA DATE

Employer Authorized Signature: [Signature]

Print Name: MICHAEL T. STOLL

Title: ASST. CEO / HR DIRECTOR

Date: 9/6/2016

<u>Current Money Market Fund (to be replaced)</u>	<u>Ticker Symbol</u>
Vanguard Prime Money Market Inv	VMMXX

**Replacement Investment Option:**

**Insert Fund Name/Ticker or Check Box Below:**

➤ Government Money Market Fund

Fund Name: Vanguard Federal Money Market Fund

Ticker Symbol: VMFXX

(List of Available Government Money Market Funds/Tickers is provided in an enclosure)

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Group Name: Riverside County Waste Resources Management District

Plan Name: 457(b) Deferred Compensation Plan

GA Number: 54107

FORM APPROVED COUNTY COUNSEL

BY: Raymond M. Mistica 9/1/16  
RAYMOND M. MISTICA DATE

Employer Authorized Signature: \_\_\_\_\_



Print Name: HANS KERNKAMP

Title: GEN. MGR - CHIEF ENGR.

Date: 7/7/16

**Current Money Market Fund (to be replaced)**

**Ticker Symbol**

Vanguard Prime Money Market Inv

VMMXX

**Replacement Investment Option:**

**Insert Fund Name/Ticker or Check Box Below:**

➤ Government Money Market Fund

Fund Name: Vanguard Federal Money Market Fund

Ticker Symbol: VMFXX

(List of Available Government Money Market Funds/Tickers is provided in an enclosure)

➤ VALIC's Fixed-Interest Option (as currently available in the plan)

<b><u>Via mail/overnight delivery:</u></b>	<b><u>Via fax:</u></b>	<b><u>Via email:</u></b>
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Group Name: Riverside County Flood Control And Water Conservation District

Plan Name: 457(b) Deferred Compensation Plan

GA Number: 53924

**FORM APPROVED COUNTY COUNSEL**

BY: Raymond M. Mistica 2/12/16  
RAYMOND M. MISTICA DATE

Employer Authorized Signature: Jeanine J. Rey

Print Name: JEANINE J. REY

Title: FINANCE DIRECTOR

Date: August 31, 2016

**Current Money Market Fund (to be replaced)**

**Ticker Symbol**

Vanguard Prime Money Market Inv

VMMXX

**Replacement Investment Option:**

**Insert Fund Name/Ticker or Check Box Below:**

➤ Government Money Market Fund

Fund Name: Vanguard Federal Money Market Fund

Ticker Symbol: VMFXX

(List of Available Government Money Market Funds/Tickers is provided in an enclosure)

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Group Name: County of Riverside

Plan Name: County of Riverside Deferred Compensation Plan

GA Number: 53677

**FORM APPROVED COUNTY COUNSEL**

BY: Raymond M. Mistica 7/12/16  
RAYMOND M. MISTICA DATE

Employer Authorized Signature: [Signature]

Print Name: MICHAEL T. STOCK

Title: ASST CEO / HR DIRECTOR

Date: 9/6/2016

**Current Money Market Fund (to be replaced)**

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Vanguard Prime Money Market Inv

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