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

ITEM: 3.22
(ID # 28807)
MEETING DATE:
Tuesday, October 28, 2025

FROM : HUMAN RESOURCES

SUBJECT: HUMAN RESOURCES: Ratify and Approve Amendment No. 2 to the Investment Consulting Services Agreement with Morgan Stanley Institutional Investment Advisors LLC, effective July 1, 2025, All Districts. [$0]

RECOMMENDED MOTION: That the Board of Supervisors:

1. Ratify and approve Amendment No. 2 to the Investment Consulting Services Agreement with Morgan Stanley Institutional Investment Advisors LLC, effective July 1, 2025, (Attachment A);

2. Authorize the Chairman to sign three (3) copies of Amendment No. 2 on behalf of the County; and

3. Direct the Clerk of the Board to retain one (1) signed copy and return two (2) signed copies to the Director of Human Resources for distribution.

ACTION:Policy

Tami Douglas-Schatz
Tami Douglas-Schatz, Director of Human Resources 9/19/2025

MINUTES OF THE BOARD OF SUPERVISORS

On motion of Supervisor Gutierrez, seconded by Supervisor Spiegel and duly carried by unanimous vote, IT WAS ORDERED that the above matter is approved as recommended.

Ayes:	Medina, Spiegel, Washington, Perez, and Gutierrez
Nays:	None
Absent:	None
Date:	October 28, 2025
xc:	HR

Kimberly A. Rector
Clerk of the Board
By: ______________
Deputy

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

FINANCIAL DATA	Current Fiscal Year:	Next Fiscal Year:	Total Cost:	Ongoing Cost
COST	$ 0	$ 0	$ 0	$ 0
NET COUNTY COST	$ 0	$ 0	$ 0	$ 0
SOURCE OF FUNDS: N/A			Budget Adjustment: No	
			For Fiscal Year: 25/26 - 27/28	

C.E.O. RECOMMENDATION: Approve

BACKGROUND:
Summary

The County of Riverside ("County") and Morgan Stanley Institutional Investment Advisors LLC ("Contractor") are amending their existing Investment Consulting Services Agreement originally effective July 17, 2023 – June 30, 2028. Amendment No. 2 will expand the scope of work to include recordkeeper and benchmarking services for the County's Voluntary Employees' Beneficiary Association (VEBA) Health Savings Plan at no additional cost to the County.

The Contractor currently serves as the County's investment consultant for the County's deferred compensation plans. In order to provide a consolidated review of the County's retirement benefit plans, the parties desire to amend the Agreement to update the scope of work and include the County's VEBA Health Savings Plan. There is no increase to the ongoing contract cost, as the Contractor has absorbed this additional service under the existing agreement.

Impact on Residents and Businesses

Approval of Amendment No. 2 will have no impact on County residents or businesses. The amendment ensures that the County's VEBA Plan benefits from investment consultant oversight consistent with the County's deferred compensation plans and allows for a consolidated and comprehensive review of all plans.

Attachments:

Attachment A - Amendment No. 2 to the Investment Consulting Services Agreement with Morgan Stanley Institutional Investment Advisors LLC

Aaron Gettis

Aaron Gettis, Chief of Deputy County Counsel 9/22/2025

COUNTY OF RIVERSIDE
AMENDMENT NO. 2 TO THE INVESTMENT CONSULTING SERVICES AGREEMENT
WITH
MORGAN STANLEY INSTITUTIONAL INVESTMENT ADVISORS LLC
DBA FIDUCIARY CONSULTING GROUP

Original Contract Term:	July 17, 2023, through June 30, 2028
Effective Date of Amendment:	Upon signature by both parties
Original Annual Maximum Contract Amount:	$75,000
One-Time Cost Added by Amendment No. 1:	$17,500
Contract ID:	HRARC-91840-002-06/28

This Amendment No. 2 to the Service Agreement for Investment Consulting Services is entered into by and between the County of Riverside, a political subdivision of the State of California, ("COUNTY") and Morgan Stanley Institutional Investment Advisors LLC, a Delaware limited liability company doing business as Fiduciary Consulting Group ("CONTRACTOR"). COUNTY and CONTRACTOR are sometimes collectively referred to herein as the "Parties" and individually as the "Party".

RECITALS

WHEREAS, COUNTY and CONTRACTOR entered into that certain Service Agreement for Investment Consulting Services HRARC-91840-002-06/28 ("Agreement") for a contract term of July 17, 2023 through June 30, 2028;

WHEREAS, the Parties executed Amendment No. 1 to the Agreement, effective March 14, 2024, to amend the payment provisions and scope of work to include recordkeeper RFP and benchmarking services for the COUNTY's Voluntary Employees' Beneficiary (VEBA) Health Savings Plan and one-time related cost; and

WHEREAS, the Parties now desire to amend the payment provisions and scope of work to include ongoing consulting services related to VEBA Health Savings Plan, and to reallocate the application of charges without modifying the annual maximum contract amount.

NOW THEREFORE, in consideration of their mutual covenants, COUNTY and CONTRACTOR agree to ratify and amend the Agreement according to the terms and in the manner set forth herein:

1. The above recitals are true and correct and are incorporated herein by reference.

2. Ratification. All actions taken by the Parties as of July 1, 2025, and prior to the execution of this Amendment were in compliance with, and pursuant to the terms and conditions of, this Amendment, and are hereby confirmed and ratified.

3. Contractor's Fictitious Business Name. All references in the Agreement to "Morgan Stanley Institutional Investment Advisors LLC, a Delaware Limited Liability Company" shall be

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replaced with "Morgan Stanley Institutional Investment Advisors LLC, a Delaware limited liability company doing business as Fiduciary Consulting Group."

4. Scope of Work. Exhibit A, Scope of Work, is hereby deleted in its entirety and replaced with Exhibit A-2, Scope of Work, attached hereto and incorporated herein by reference.

5. Payment Provisions. Exhibit B, Payment Provisions, is hereby deleted in its entirety and replaced with Exhibit B-2, Payment Provisions, attached hereto and incorporated herein by reference.

5. Additional Terms. Exhibit C, Additional Terms, is hereby deleted in its entirety and replaced with Exhibit C-2, Additional Terms, attached hereto and incorporated herein by reference.

6. Effective Date. This Amendment No. 2 shall be effective as of July 1, 2025.

7. Miscellaneous. All other terms and conditions of the Agreement not modified herein shall remain unchanged and in full force and effect.

8. Electronic Signatures. This Amendment may be executed in any number of counterparts, each of which will be an original, but all of which together will constitute one instrument. CONTRACTOR represents and warrants that the individuals signing this Amendment on behalf of CONTRACTOR have full and complete authority to bind CONTRACTOR to each and every term of this Amendment. Each party to this Amendment agrees to the use of electronic or digital signatures that meet the requirements of the California Uniform Electronic Transactions Act (("the Act") Cal. Civ. Code §§ 1633.1-1633.17), for executing this Amendment. The parties further agree that the electronic or digital signatures of the parties included in this Amendment are intended to authenticate this wring and to have the same force and effect as manual signatures. The Act authorizes use of an electronic signature for transactions and contracts among parties in California, including governmental agencies. For purposes of this section, a digital signature is a type of "electronic signature" as defined in subdivision (h) of Section 1633.2 of the Civil Code.

(Signature Page Follows)

IN WITNESS WHEREOF, the Parties hereto have caused their duly authorized representatives to execute this Amendment.

COUNTY OF RIVERSIDE, a political subdivision of the State of California

By: ______________________
V. Manuel Perez
Chair, Board of Supervisors

Dated: OCT 2 8 2025

ATTEST:
Kimberly Rector
Clerk of the Board

By: ______________________
Deputy

APPROVED AS TO FORM
Minh C. Tran
County Counsel

By: Tawny Lieu
Tawny Lieu
Supervising Deputy County Counsel

MORGAN STANLEY INSTITUTIONAL INVESTMENT ADVISORS LLC, a Delaware limited liability company doing business as Fiduciary Consulting Company

By: Jayson Davidson
Jayson Davidson (Oct 2, 2025 13:07:09 PDT)
Jayson Davidson
Managing Principal

Dated: 10/02/2025

and

By: ______________________
Dale Parker (Oct 2, 2025 12:49:18 PDT)
Dale Parker
Senior Principal

Dated: 10/02/2025

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EXHIBIT A-2
SCOPE OF WORK

1.0 CONSULTING SERVICES TO BE PERFORMED BY CONTRACTOR

1.1 Plan Governance and Oversight

A. Create the documents that will serve as a guide for fiduciary best practices. When already created, review them annually and make suggested changes. The documents that assist in the prudent process of monitoring the retirement plan shall include:

- The Plan Documents—at the time of this Agreement, plan documents are with Corebridge only, and Contractor will work with the County and Corebridge to update the documents and possibly remove the amendment requirement for fund additions, and with County approval, will work with Nationwide to adopt a separate set of Plan documents and, to the extent possible, match the sets of documents from each recordkeeper to create fiduciary efficiencies for the County. The Voluntary Employee Benefits Association Plan Document will be reviewed and maintained by Gallagher Benefits Services,Inc;
- Investment Policy Statement (IPS)—adopted by the Committee in December 2022, the IPS serves as a guide for both the Committee and Contractor in the monitoring of the investment menu, and Contractor will update annually;
- Fee Policy—discusses plan expenses and the various ways administration costs are paid (e.g., revenue share versus direct administration fee). This best practices document will be prepared for the County and discussed at an initial Committee meeting.

B. **Plan Governance and Committee Function Assistance**

- Develop and review charter/by-laws
- Establish compliance criteria and checklist
- Review plan and other relevant legal documents
- Create meeting agendas and follow up with action item letters
- Create or review meeting minutes

C. **Vendor Management**

- Meet and work with plan providers
- Facilitate productive working relationships between all parties
- Represent the Plans' and participants' interests to ensure the highest level of services, information, and contract adherence
- Maintain partnership so objectives are met

D. In addition, and as part of plan governance—document each step of the prudent process to reflect fiduciary best practices. Prepare agendas for every committee meeting; review and edit all committee meeting minutes; and document any action items that result from decisions made during meetings.

1.2 <u>Ongoing Committee Training</u>

A. Provide a curriculum of trainings including but not limited to the following:

FIDUCIARY FUNDAMENTALS

Covers legal and regulatory background, what it means to be a Plan Fiduciary, details about Fiduciary Law, and provides on overview of risks and protections.

INVESTMENT DESIGN

Provides an overview of modern investment menu design, how to monitor investments, implement your Investment Policy Statement (IPS), and structure your lineup most effectively.

CAPITAL PRESERVATION OVERVIEW

This module provides a detailed comparison of the pros/cons for various "Fixed" account options including General Accounts, Separate Accounts, Money Market options, and Stable Value options.

PLAN GOVERNANCE

Discusses how to approach and implement optimal plan governance practices including a detailed description of various plan governance documents.

FEES: WHY SO COMPLICATED?

Describes modern fee design and discusses the importance of transparency and fairness in today's litigious environment, also provides an overview of Fee Policy Statements.

TO RFP OR NOT TO RFP

Overview of the RFP process, best practices, optimizing your outcomes, marketplace benchmarking, and an overview of the industry's leading-edge products and innovations.

B. Provide periodic education and counseling to the committee on various topics including, but not limited to the following: the rapidly evolving regulatory and legislative area regarding retirement plan administration and the state of participant fee calculation and collection models;

C. Also provide training and assistance with understanding and implementing new and evolving retirement plan investment products and services including but not limited to retiree income products, new generation participant investment advice services, and "real return" investment products.

D. The trainings shall:

- Assist the Committee in meeting fiduciary responsibility requirements;
- Provide targeted education sessions on topical investment issues; and
- Communicate important legal and regulatory changes and trends.

1.3 <u>Ongoing Plan Review</u>

Provide the following:

A. Initial and annual Plan Document Review and Maintenance

- Work with current providers, Nationwide and Corebridge, on Plan Document updates. Specifically, with Corebridge to modify the requirement to amend the documents each time a fund change occurs, and with Nationwide to establish Plan Documents for the 457, 401(a) Money Purchase, and 401(a) Supplemental Plans. The VEBA Plan Document will be reviewed and maintained by Gallagher Benefits Services, Inc.

- Offer insight as to "best practices" with regard to Plan Documents. Contractor will help "standardize" document language so that as many provisions of the Nationwide/Corebridge documents are utilized as possible.
- Facilitate discussions to maintain sound administrative tasks such as, but not limited to, best practices for archiving Plan Documents and related Agreements.

B. Annual Investment Policy Statement (IPS) Creation, Review, and Annual Maintenance

- Confirm investment criteria, goals, and objectives
- Ensure compliance of investment options within the policy
- Review investment guidelines
- Establish investment performance review and evaluation criteria
- Assist the Committee in adherence to policy
- Provide recommendations for course of action to address policy concerns

C. Ongoing Overall Portfolio Analysis and Recommendations

- Analyze investment managers using quantitative and qualitative research tools
- Determine investment overlap and/or under-weighted asset classes
- Assess risk parameters

D. Quarterly Plan Performance Reporting and Monitoring

- Present economic and financial market overview, including fixed Income, domestic and international markets
- Provide comprehensive plan review including asset distribution and cash flows
- Provide performance reporting versus appropriate benchmarks and peers
- Assess investment policy adherence
- Conduct regulatory updates
- Meetings with the Committee, along with conference calls as needed

E. Ongoing Detailed Plan Cost Analysis and Benchmarking

- Provide in depth cost review of all aspects of the 457(b), 401(a) Plans, and VEBA Plan
- Benchmark cost to other plans
- Chart historical cost and revenue
- Work with vendor to confirm administrative budget
- Renegotiate revenue share agreements where appropriate

F. Initial and at least annual Plan Structure and Contract Evaluation Services

- Review all provider contracts and communications
- Assess overall plan structure
- Recommend changes to structure and/or contracts as necessary
- Assist with any service and pricing negotiations

G. Plan Governance and Committee Function Assistance

- Develop and review charter/by-laws for fiduciary committee
- Review plan and other relevant legal documents
- Assist with meeting agenda creation
- Review meeting minutes
- Provide action item summary after committee meetings

H. Ongoing Fiduciary Education/Training for Committee Members

- Assist the committee in meeting fiduciary responsibility requirements
- Provide targeted education sessions on topical investment issues
- Communicate important legal and regulatory changes and trends

I. Additional Services at no additional cost:

- Assistance with Committee Charter development—if necessary
- Administrative expense guideline drafting
- Initial and occasional fee and revenue benchmarking,
- Ongoing fee and revenue analysis—quarterly
- Cybersecurity policy development and maintenance
- Requisite task monitoring with outside parties, including recordkeeper relationship management
- Performance monitoring and ongoing due diligence—quarterly
- Target Date Fund glide path analysis,
- Managed Account effectiveness and performance analysis,
- Investment reviews and manager selection
- Partnering with recordkeepers as necessary to ensure effective participant engagement and optimal retirement outcomes—as needed
- Engaging third party subject matter experts as necessary to ensure fiduciary compliance, including occasional meeting attendance by investment management firms and/or cybersecurity professionals, representatives and portfolio managers from Vanguard, JP Morgan, Fidelity, MFS, and others—as needed.
- Best practices around plan communications to participants—as needed
- Ad-hoc projects as the need arises—or as proactively suggested by Contractor

EXHIBIT B-2
PAYMENT PROVISIONS

FEE SCHEDULE:

Subject to the maximum sums hereafter provided, the CONTRACTOR will be compensated upon satisfactory completion of the prescribed items in Exhibit A-2, Scope of Work. COUNTY shall not withhold applicable federal and state payroll and other required taxes, or other authorized deductions from payments to the CONTRACTOR. The maximum annual amount of compensation is **$75,000** and is inclusive of all expenses related to the Scope of Work. No claims for additional compensation, whether for additional work or otherwise, under the Scope of Work shall be allowed unless such additional compensation and work, if applicable, is authorized by the COUNTY in writing.

CONTRACTOR shall invoice the COUNTY in **even quarterly installments of $18,750 within 15 days of the beginning of each quarter starting July 1, 2025**. Payment for such invoices shall be CONTRACTOR's sole compensation for its rendering of the services and preparation and delivery of any work product

Term	Annual Fee	Quarterly Payment
July 1, 2025 – June 30, 2028	$75,000 Breakdown by plan type: • Corebridge 457(b) Plan: $15,870 • Corebridge 401(a) Money Purchase Plan: $2,070 • Corebridge Supplemental Contribution 401(a) Plan - $345 • Corebridge Waste Resources Management District 457(b) Plan – $345 • Corebridge Flood Control and Water Conservation District 457(b) Plan – $345 • Nationwide 401(a) Plan - $4,140 • Nationwide 457(b) Plan - $42,780 Nationwide Supplemental Contribution 401(a) Plan - $345 • Nationwide Waste Resource Management 401(a) Plan - $345 • Nationwide Waste Resource Management 457(b) Plan - $690 • Nationwide Flood Control and Water Conservation District 401(a) Plan – $345	$18,750 Breakdown by plan type: • Corebridge 457(b) Plan: $3,967.50 • Corebridge 401(a) Money Purchase Plan: $517.50 • Corebridge Supplemental Contribution 401(a) Plan - $86.25 • Corebridge Waste Resources Management District 457(b) Plan – $86.25 • Corebridge Flood Control and Water Conservation District 457(b) Plan – $86.25 • Nationwide 401(a) Plan - $1,035 • Nationwide 457(b) Plan - $10,695 • Nationwide Supplemental Contribution 401(a) Plan – $86.25 • Nationwide Waste Resource Management 401(a) Plan - $86.25 • Nationwide Waste Resource Management 457(b) Plan - $172.50 • Nationwide Flood Control and Water

	• Nationwide Flood Control and Water Conservation District 457(b) Plan – $1,380 • Gallagher HRA VEBA – $6,000	• Conservation District 401(a) Plan – $86.25 • Nationwide Flood Control and Water Conservation District 457(b) Plan – $345 • Gallagher HRA VEBA – $1,500

EXHIBIT C-2
ADDITIONAL TERMS

1.0 Fiduciary Responsibility. CONTRACTOR acknowledges and agrees that in providing services described in the Scope of Work, it is acting as an investment advisor fiduciary as defined in ERISA § 3(21) in rendering investment advice to the COUNTY based on the particular needs of the COUNTY as stated herein.

2.0 Proxy Voting. CONTRACTOR does not exercise proxy voting authority over client securities or take any action relating such securities, which become the subject of any legal proceedings including class action lawsuits and bankruptcies. The obligation to vote client proxies at all times rests with COUNTY. However, COUNTY is not precluded from contacting CONTRACTOR for advice or information about a particular proxy vote. However, CONTRACTOR will not be deemed to have proxy voting authority as a result of providing such advice to COUNTY.

2.1 Should CONTRACTOR inadvertently receive proxy information for a security held in the plan's account, CONTRACTOR will immediately forward such information to COUNTY, but will not take any further action with respect to the voting of such proxy. Upon termination of this Agreement, CONTRACTOR will make a good faith and reasonable attempt to forward proxy information inadvertently received by CONTRACTOR on COUNTY's behalf to the forwarding address provided by COUNTY.

3.0 Risk. COUNTY recognizes that there may be loss or depreciation of the value of any investment due to the fluctuation of market values. COUNTY represents that no party to this Agreement has made any guarantee, either oral or written, that the plan's investment objectives will be achieved. CONTRACTOR will not be liable for any error in judgment and/or for any investment losses in the absence of malfeasance, negligence or violation of applicable law. Nothing in this Agreement will constitute a waiver or limitation of any rights which COUNTY may have under applicable state or federal law, including without limitation state and federal securities laws.

4.0 Acknowledgement of Receipt of Part 2 Form ADV. COUNTY acknowledges that it has received and has had an opportunity to read CONTRACTOR's firm brochure (Form ADV, Part 2A) and applicable brochure supplements (Form ADV, Part 2B) prior to, or at the time of, entering into this Agreement.

5.0 Consent to Electronic Document Delivery. COUNTY hereby authorizes CONTRACTOR to deliver its Form ADV and related documents by email to an email address designated by the COUNTY. COUNTY's consent to electronic delivery of CONTRACTOR'S Form ADV and related documents will remain in place until COUNTY provides CONTRACTOR with written notice of revocation.

6.0 Representative Client List. CONTRACTOR publishes materials which, in addition to describing the nature of its investment advisory services, may also provide a representative listing of CONTRACTOR's institutional clients ("Representative Client List"). Such a listing may generally provide the name of the COUNTY, but will not provide any specific Account information and shall not in any manner imply endorsement by the COUNTY.

Amendment No. 2 Morgan Stanley Institutional Investment Advisory LLC

Final Audit Report 2025-10-02

Created:	2025-10-01
By:	Amy Martinson (amartinson@rivco.org)
Status:	Signed
Transaction ID:	CBJCHBCAABAA6y-zH0lg6UIjbrXIK2xh27ICwi135Rnd

"Amendment No. 2 Morgan Stanley Institutional Investment Advisory LLC" History

Document created by Amy Martinson (amartinson@rivco.org)
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Document emailed to dale.parker@morganstanley.com for signature
2025-10-01 - 9:41:02 PM GMT

Email viewed by dale.parker@morganstanley.com
2025-10-02 - 4:17:55 PM GMT

Signer dale.parker@morganstanley.com entered name at signing as Dale Parker
2025-10-02 - 7:49:16 PM GMT

Document e-signed by Dale Parker (dale.parker@morganstanley.com)
Signature Date: 2025-10-02 - 7:49:18 PM GMT - Time Source: server

Document emailed to jayson.davidson@morganstanley.com for signature
2025-10-02 - 7:49:20 PM GMT

Email viewed by jayson.davidson@morganstanley.com
2025-10-02 - 8:06:29 PM GMT

Signer jayson.davidson@morganstanley.com entered name at signing as Jayson Davidson
2025-10-02 - 8:07:07 PM GMT

Document e-signed by Jayson Davidson (jayson.davidson@morganstanley.com)
Signature Date: 2025-10-02 - 8:07:09 PM GMT - Time Source: server

Document emailed to Tawny Lieu (tlieu@rivco.org) for signature
2025-10-02 - 8:07:13 PM GMT

Email viewed by Tawny Lieu (tlieu@rivco.org)

2025-10-02 - 8:08:24 PM GMT

Document e-signed by Tawny Lieu (tlieu@rivco.org)

Signature Date: 2025-10-02 - 8:13:37 PM GMT - Time Source: server

Agreement completed.

2025-10-02 - 8:13:37 PM GMT