

**REPORT/RECOMMENDATION TO THE BOARD OF SUPERVISORS  
OF THE COUNTY OF SAN BERNARDINO  
AND RECORD OF ACTION**

May 19, 2020

**FROM**

**DIANE RUNDLES, Director, Human Resources Department**

**SUBJECT**

Approve Amendment to Stabilizer Contracts between the County of San Bernardino and Voya Retirement Insurance and Annuity Company to extend investment strategy transition period

**RECOMMENDATION(S)**

Approve **Amendment No. 3** to **Agreement No. 14-954** between the County of San Bernardino and Voya Retirement Insurance and Annuity Company as the provider for administration, investment, and recordkeeping services for the voluntary retirement plans and the retirement medical trust plan amending the following plan sub-agreements to extend the investment strategy transition period up to an additional twelve months to move the assets in the Stabilizer fund from the Intermediate Aggregate Plus Strategy to the Intermediate Aggregate Strategy:

- a) Stabilizer Contract for the 401(k) Defined Contribution Plan.
- b) Stabilizer Contract for the 457(b) Deferred Compensation Plan.
- c) Stabilizer Contract for the 401(a) Defined Contribution Plan.
- d) Stabilizer Contract for the PST Deferred Compensation Retirement Plan.

(Presenter: Diane Rundles, Director, 387-5570)

**COUNTY AND CHIEF EXECUTIVE OFFICER GOALS & OBJECTIVES**

**Operate in a Fiscally-Responsible and Business-Like Manner.**

**FINANCIAL IMPACT**

Approval of this item will not result in the use of Discretionary General Funding (Net County Cost). This recommendation amends the investment strategy transition period for the Stabilizer Contracts by extending the transition period by an additional 12 months to move the assets in the Stabilizer Fund from the Intermediate Aggregate Plus Strategy to the Intermediate Aggregate Strategy from on or before July 1, 2020 to on or before July 1, 2021. This action is non-financial and therefore has no financial impact to the County.

**BACKGROUND INFORMATION**

Approval of this item authorizes an amendment to the County of San Bernardino's ("County") Stabilizer Contracts for the 401(k) Defined Contribution Plan, 457(b) Deferred Compensation Plan, 401(a) Defined Contribution Plan and the PST Deferred Compensation Retirement Plan (collectively, the "Defined Contribution Plans" or the "Plans").

The Defined Contribution ("DC") Committee is an advisory committee to the Plan Administrator (Human Resources Division Chief, Employee Benefits and Services Division) and the County Board of Supervisors, consisting of nine members from the County, associated agencies, and labor organizations including: the Auditor-Controller/Treasurer/Tax Collector, San Bernardino

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County Employees' Retirement Association, County Administrative Office, Human Resources, Teamsters Local 1932, Sheriff's Employees' Benefit Association and other individuals appointed by the County's Chief Executive Officer.

On March 10, 2020 (Item No. 33) the Board of Supervisors approved Amendment No. 2 to Agreement No. 14-954 directing the County's Record-keeper, Voya Retirement and Insurance Annuity Company ("Voya"), to move the assets in the Stabilizer Fund from the Intermediate Aggregate Plus Strategy to the Intermediate Aggregate Strategy effective April 1, 2020. This amendment allowed for an investment strategy transition period of 3 months (April 1, 2020 to July 1, 2020).

Amendment No. 3 extends the initial transition period of 3 months by an additional 12 months (April 1, 2020 to July 1, 2021). Voya and the County's DC Committee's Consultant, Hvas Group, have recommended to the County that it extend the transition period an additional 12 months from the initially allowed 3 months to allow for a transition period total of 15 months. This recommendation is due to the recent market volatility caused by the COVID-19 pandemic. Given the high level of stress in the markets recently, this additional 12 months will allow Voya to more strategically execute the Stabilizer Fund transition. Additionally, Voya has confirmed that extending the Stabilizer Fund transition period will not delay the participant fee expense reduction from 0.44% to 0.34% that was effective April 1, 2020.

**PROCUREMENT**

Not applicable

**REVIEW BY OTHERS**

This item has been reviewed by County Counsel (Jamie Ryan, Deputy County Counsel, 387-3088) on April 17, 2020; Finance (Jessica Trillo, Administrative Analyst, 387-4222) on April 24, 2020; and County Finance and Administration (Robert Saldana, Deputy Executive Officer, 387-5423) on May 4, 2020.

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Record of Action of the Board of Supervisors  
County of San Bernardino

**APPROVED (CONSENT CALENDAR)**

Moved: Robert A. Lovingood Seconded: Josie Gonzales

Ayes: Robert A. Lovingood, Janice Rutherford, Dawn Rowe, Curt Hagman, Josie Gonzales

Lynna Monell, CLERK OF THE BOARD

BY   
DATED: May 19, 2020



cc: HR- Coughlin w/agree  
Contractor- C/O HR w/agree  
File- w/agree

la 05/27/2020