



Mike Pettit
Assistant County Executive Officer

Kaye Mand
County Chief Financial Officer

Shawn Atin
Assistant County Executive Officer/
Human Resources Director
Labor Relations

February 27, 2024

Board of Supervisors
County of Ventura
800 South Victoria Avenue
Ventura, California 93009

Subject: Ratification of, Approval of, and Authorization for the Director of Human Resources to Sign, the Seventh Amendment to the Fidelity Management Trust Company Agreements.

Recommendations

It is recommended that your Board ratify, approve, and authorize the Director of Human Resources to sign the Letter Amendment between Fidelity Management Trust Company (Fidelity) and County of Ventura for the 401(k) Shared Savings Plan and Section 457 Plan, with an effective date of January 1, 2024 (attached as Exhibit 1).

Reason for Ratification

The necessity to have this Letter Amendment effective January 1, 2024, is to facilitate the County's eligibility for the reduction in recordkeeping fees starting from that date. This amendment will result in an annual reduction of approximately \$88,000 in Plan fees.

Strategic Priority

A reduction in recordkeeping fees demonstrates the fiduciary duty of the County and the Deferred Compensation Committee. As employee benefits, the 401(k) Shared Savings and the Section 457 Plans support the County's Strategic Priority to attract, hire, develop, and retain a diverse workforce empowered to meet the needs of our customers.

Fiscal/Mandates Impact

There is no fiscal impact resulting from this action.

Discussion

The Ventura County Deferred Compensation Committee ("Committee"), comprised of the County Executive Officer, Treasurer-Tax Collector, Auditor-Controller, County Counsel, and Director of Human Resources (or designees), with the assistance of SageView Advisory Group, recently requested a renegotiation of recordkeeping fees with Fidelity Investments.

The Plan underwent its most recent Request for Information (RFI) in 2017, and the final approval for the County’s existing agreement with Fidelity was granted in 2018. Recognizing the importance of conducting periodic evaluations of recordkeeping fees and pricing structures, the Committee initiated this renegotiation to assess whether the current pricing structure continues to be advantageous and aligns with the participants’ best interests.

As a result of these negotiations, Fidelity offered a reduction in the fixed basis-point fee for recordkeeping/participant education services, lowering it from the current 3.75 basis points to 3.2 basis points. Fidelity has agreed to implement the new pricing structure effective January 1, 2024, leading to an estimated annual savings of \$88,000. The Committee is currently reviewing the timeline for the next RFI to be conducted.

While the County retains the discretion to change the available funds in the Plan, the annual recordkeeping fee reduction is contingent upon maintaining the funds listed below. Any proposed changes to the fund lineup will prompt a review of the recordkeeping fee.

Fund	Ticker	Asset Category
Fidelity Freedom® Actively Managed Target Date Funds – <i>Note – can be either Class K or K6*</i>	Varies	Target Date
Fidelity® Contrafund® K6	FLCNX	Large Growth
Fidelity® Blue Chip Growth K6 Fund	FBCGX	Large Growth
Fidelity® Managed Income Portfolio II – Class 2	N/A	Stable Value
Fidelity® Investments Money Market Government Portfolio – Institutional Class	FRGXX	Money Market
Fidelity® International Capital Appreciation K6 Fund	FAPCX	Foreign Large Growth
Fidelity® Growth Company K6 Fund	FGKFX	Large Growth
Fidelity® Mid-Cap Stock K6 Fund	FNKFX	Mid-Cap Blend
Fidelity® Capital & Income Fund	FAGIX	High Yield Bond
Fidelity® Small Cap Growth K6 Fund	FOCSX	Small Growth

Summary

The Committee has reviewed the Fidelity Letter Amendment and recognizes the cost savings for participants that will result from reducing the recordkeeping fee. Based on this review, the Committee recommends that your Board ratify, approve, and authorize the Director of Human Resources to sign the Fidelity Letter Amendment to the Trust Agreements between Fidelity and the County of Ventura for the 401(k) Shared Savings Plan and the Section 457 Plan, accepting the reduction in recordkeeping fees. The proposed fee reduction will be effective January 1, 2024.

This letter has been reviewed by the County Executive Office, County Counsel, and the Auditor-Controller's Office. If you have any questions regarding this item, please contact me at (805) 654-2561 or Patty Zoll, Deferred Compensation Manager, at (805) 477-7234.

Respectfully,



Shawn Atin
Assistant County Executive Officer/Human Resources Director



Sevet Johnson, PsyD
County Executive Officer

c: Jeffery S. Burgh, Auditor-Controller
Tiffany N. North, County Counsel
Mike Pettit, Assistant County Executive Officer
Kaye Mand, Assistant County Executive Officer/Chief Financial Officer

Attachment:

- Exhibit 1- Seventh Amendment to the Fidelity Management Trust Company Agreements