



**REGULAR CITY COUNCIL MEETING
MEETING AGENDA
WEDNESDAY, AUGUST 10, 2016**

**Closed Session Meeting – 5:30 PM
Regular Meeting - 6:30 PM**

**City Hall – Beryl P. Robinson, Jr. Conference Room
317 Broad Street, Nevada City, CA 95959**

MISSION STATEMENT

The City of Nevada City is dedicated to preserving and enhancing its small town character and historical architecture while providing quality public services for our current and future residents, businesses and visitors.

Evans Phelps, Mayor

**Reinette Senum, Council Member
David Parker, Council Member**

**Duane Strawser, Vice Mayor
Valerie Moberg, Council Member**

The City Council welcomes you to its meetings which are scheduled at 6:30 PM on the 2nd and 4th Wednesdays of each month. Your interest is encouraged and appreciated. This meeting is recorded on DVD and is televised on local public television Channel 17. Other special accommodations may be requested to the City Clerk 72 hours in advance of the meeting. Please turn off all cell phones or similar devices. Action may be taken on any agenda item. Agenda notices are available at City Hall. Materials related to an item on this Agenda submitted to the Council after distribution of the agenda packet are available for public inspection in the City Hall at 317 Broad Street, Nevada City, CA during normal business hours.

ANY MEMBER OF THE PUBLIC DESIRING TO ADDRESS THE COUNCIL ON ANY ITEM ON THIS AGENDA: After receiving recognition from the Mayor, give your name and address, and then your comments or questions. Please direct your remarks to the Councilmembers. In order that all interested parties have an opportunity to speak, please limit your comments to the specific item under discussion. All citizens will be afforded an opportunity to speak, consistent with their Constitutional rights. Time limits shall be at the Mayor's discretion. **IF YOU CHALLENGE** the Council's decision on any matter in court, you will be limited to raising only those issues you or someone else raised at the meeting or Public Hearing described on this agenda, or in written correspondence delivered to the City Council at, or prior to, the meeting or Public Hearing.

CLOSED SESSION MEETING – 5:30 PM

1. Pursuant to Government Code Section 54956.8, a closed session is requested with negotiators City Manager Mark Prestwich and Consulting City Attorney Hal DeGraw to discuss price and terms of payment regarding possible purchase of real estate located in Pioneer Park at 425 Nimrod Street with owner, Susan Schreiber.
2. Pursuant to Government Code Section 54957.6, a closed session of the City Council will be held for the purpose of reviewing its position and instructing its designated representatives regarding employee salaries, salary schedules, fringe benefits and all other matters within the statutory scope of representation. The designated labor negotiation representatives for Nevada City are Mark Prestwich, City Manager and Catrina Olson, Assistant City Manager. The labor negotiations concern the following bargaining units: Management Employees, Supervisory Unit, Miscellaneous Employees Association, Police Supervisors Association, Police Officers Association and Nevada County Professional Firefighters, Local 3800.

REGULAR MEETING – 6:30 PM - Call to Order

Roll Call: Moberg, Parker, Senum, Vice Mayor Strawser, & Mayor Phelps

PLEDGE OF ALLEGIANCE

PROCLAMATION:

PRESENTATION: Update on Bridgeport Project – Doug Moon, Chair, Save our Bridge Committee

BUSINESS FROM THE FLOOR

1. PUBLIC COMMENT

Under Government Code Section 54954.3, members of the public are entitled to address the City Council concerning any item within the Nevada City Council's subject matter jurisdiction. Comments on items NOT ON THE AGENDA are welcome at this time. Normally, public comments are limited to no more than three minutes each. **Except for certain specific exceptions, the City Council is prohibited from discussing or taking action on any item not appearing on the posted agenda.**

2. COUNCIL MEMBERS REQUESTED ITEMS AND COMMITTEE REPORTS:

3. CONSENT ITEMS:

All matters listed under the Consent Calendar are to be considered routine by the City Council and will be enacted by one motion in the form listed. There will be no separate discussion of these items unless, before the City Council votes on the motion to adopt, members of the Council, City staff or the public request specific items to be removed from the Consent Calendar for separate discussion and action.

A. Subject: Chief of Police Response to the Grand Jury Report Regarding Evidence Handling Unit

Recommendation: Authorize response letter prepared by the Chief of Police for submission to the Grand Jury

B. Subject: Award Contract for Measure S Paving and Reconstruction of Various Streets in Nevada City

Recommendation: Pass Resolution 2016-XX Awarding a Contract to Teichert Construction in the amount of \$273,250 plus \$60,000 contingencies for Measure S paving and reconstruction of various streets in Nevada City and authorize Mayor to sign.

C. Subject: AdvantageTrust II Multiple Collective Investment Funds Trust Participation Agreement for the VantageCare Retirement Health Savings Plan

Recommendation: Adopt VantageTrust II Multiple Collective Investment Funds Trust Participation Agreement and authorize the Mayor to sign.

D. Subject: Award of Contract Change Order for Gas Line Replacement at the Wastewater Plant in Nevada City

Recommendation: Pass Resolution 2016-XX awarding a contract change order to CME Services, Grass Valley, CA for New Gas Line in the amount of \$32,000 plus \$5,000 contingencies for Replacement of Gas Line at the Wastewater Plant in Nevada City and authorize the Mayor to sign.

4. APPROVAL OF ACTION MINUTES:

A. City Council Meeting – July 27, 2016

5. DEPARTMENT REQUESTED ACTION ITEMS AND UPDATE REPORTS:

6. PUBLIC HEARINGS:

7. OLD BUSINESS:

A. **Subject:** Status Report on NCFORWARD Economic Plan Goals and Objectives

Recommendation: Receive and file.

B. **Subject:** Authorize Members of the City Council to Submit an Argument in Favor of the November 8, 2016 Special Tax Ballot Measure

Recommendation: Pass Resolution 2016-XX authorizing one or more members of the City Council to submit the City's argument in favor of the proposed "Nevada City Fire and Police Transactions and Use Tax Ordinance" special tax ballot measure on November 8, 2016.

8. NEW BUSINESS:

9. CORRESPONDENCE:

10. ANNOUNCEMENTS:

11. CITY MANAGER'S REPORT:

12. ADJOURNMENT

Certification of Posting of Agenda

I, Corey Shaver, Administrative Supervisor for the City of Nevada City, declare that the foregoing agenda for the August 10, 2016 Regular Meeting of the Nevada City City Council was posted August 5, 2016 at the office of the City of Nevada City (City Hall). The agenda is also posted on the City's website www.nevadacityca.gov.

Signed this August 5, 2016 at Nevada City, California

_____, Corey Shaver, Administrative Supervisor

**CITY OF NEVADA CITY
City Council
Long Range Calendar**

August 15, 2016	Special City Council Meeting – Council Governance Meeting
August 24, 2016	Regular Council Meeting
August 25, 2016	Special City Council and Planning Commission - Goal Setting Meeting
September 14, 2016	Regular Council Meeting
September 28, 2016	Regular Council Meeting

NOTE: This list is for planning purposes; items may shift depending on timing and capacity of a meeting.

NOTICE: *As presiding officer, the Mayor has the authority to preserve order at all City Council meetings, to remove or cause the removal of any person from any such meeting for disorderly conduct, or for making personal, impertinent, or slanderous remarks, using profanity, or becoming boisterous, threatening or personally abusive while addressing said Council and to enforce the rules of the Council.*

REPORT TO CITY COUNCIL

City of Nevada City
317 Broad Street
Nevada City, CA 95959
www.nevadacityca.gov

August 10, 2016

TITLE: Chief of Police Proposed Response Letter to the Grand Jury Report
Regarding Evidence Handling Unit

RECOMMENDATION: Authorize response letter by Chief of Police for submission to the Grand Jury

CONTACT: Timothy A. Foley, Chief of Police

BACKGROUND / DISCUSSION:

The 2015-2016 Nevada County Civil Grand Jury examined all law enforcement agency evidence handling facilities within Nevada County to determine compliance with policies, procedures and best practices recommended by evidence handling advisory organizations. The report was published June 13, 2016 and is posted on the Grand Jury's Website: www.civilgrandjury.com Click on the "Reports" link. California Penal Code Section 933.05 requires a response to the report's findings and recommendations related to the specified agency.

Chief Timothy A. Foley was requested to respond for the Nevada City Police Department regarding Findings #2, #4, #6, and #9 and Recommendations #1, #2 and #7. The attached letter was prepared by Chief Foley in response.

ENVIRONMENTAL CONSIDERATIONS:

None

FISCAL IMPACT:

None

ATTACHMENTS:

- ✓ Letter of response prepared by Chief Foley to the Nevada County Civil Grand Jury's report on Evidence Handling Units.

August 1, 2016

The Honorable Tom Anderson

Presiding Judge of the Grand Jury

201 Church St.

Nevada City, Ca 95959

Honorable Tom Anderson,

Below is my response for the Nevada City Police Department to the Findings and Recommendations of the Civil Grand Jury of Nevada County's report on the "Law Enforcement Evidence Handling Units." I was requested as the Nevada City Chief of Police to respond to the following Findings and recommendations; Findings #2, #4, #6, and #9; Recommendations #1, #2, and #7.

Findings

F2. The staff at all four evidence handling units appear to be well trained and capable. The use of sworn officers in the Nevada City Police Department Evidence Handling Unit removes patrol officers from their primary duties to the detriment of efficient law enforcement. The Nevada City Police Department is seeking to replace the sworn officers performing evidence handling duties with a nonsworn employee or volunteer.

Agree

F4. The police department evidence handling units are marginally in compliance with their own policies and procedures and with best practices concerning audits and inventories of the evidence handling units although they all are due or overdue for biennial external audits.

Partially Agree:

The NCPD Evidence Handling Unit is in compliance with POST and Lexipol standards as indicated on page 8 of the report. There is a need for a biennial external audit.

F6. Best practices dictate that all agencies should rigorously adhere to the requirement for a complete inventory upon a change of evidence technician or supervisor. Additionally, random spot inventories need to be performed and documented. Inventories of firearms, narcotics and money must be conducted on at least a quarterly basis. Finally, external audits must be conducted on a biennial basis at a minimum.

Partially Agree:

The NCPD does conduct monthly Audit Spot Checks (see page 9 of report) which are recorded. Inventory policies are followed and records are maintained. Evidence purging is conducted as necessary to ensure that space is available for new arrivals. There is a need for a biennial external audit.

- F9.** Given the size of the Nevada City Police Department, maintaining its own evidence handling unit creates a burden in terms of space, manpower and cost. In the past, the Grass Valley Police Department and the Nevada City Police Department considered consolidating their separate evidence handling units into one central evidence handling unit.

Partially Agree:

The NCPD and GVPD will continue to explore the possibility consolidating the Evidence Handling Unit to determine if consolidation is beneficial.

RECOMMENDATIONS

- R1.** Consolidation of the Grass Valley Police Department and the Nevada City Police Department evidence handling units should be considered again. [F8]

The recommendation will not be implemented at this time

The NCPD and GVPD will continue to explore the possibility consolidating the Evidence Handling Unit to determine if consolidation is beneficial.

- R2.** Alternatively, the Nevada City Police Department should expedite its efforts to obtain and train a non-sworn evidence technician to reduce personnel costs and to free sworn officers for their primary duties. [F8]

The recommendation is in the process of being implemented

The NCPD has hired and is currently training a part time civilian CSO to be assigned to the Evidence Handling Unit.

- R7.** All agencies should rigorously adhere to the requirement for a complete inventory upon a change of evidence technician or supervisor. Additionally, random spot inventories need to be performed and documented. Inventories of firearms, narcotics and money must be conducted on at least a quarterly basis. Finally, external audits must be conducted on a biennial basis at a minimum. [F3]

The recommendation is in the process of being implemented

The NCPD currently conducts monthly Audit Spot Checks which are recorded. Inventory policies are followed and records are maintained. Evidence purging is conducted as necessary to ensure that space is available for new arrivals. There is a need for a biennial external audit which will be scheduled before the end of the year.

Respectfully,

Timothy A. Foley

Chief of Police

Nevada City, Ca.

REPORT TO CITY COUNCIL

City of Nevada City
317 Broad Street
Nevada City, CA 95959
www.nevadacityca.gov

August 10, 2016

TITLE: Award of Contract for Measure S Paving and Reconstruction of Various Streets in Nevada City

RECOMMENDATION: Pass Resolution 2016-XX awarding a contract to Teichert Construction in the amount of \$273,250 plus \$60,000 contingencies for Paving and Reconstruction of Various Streets and authorize the Mayor to sign.

CONTACT: Bryan K. McAlister, City Engineer

BACKGROUND/DISCUSSION: The City Engineer and Public Works staff have identified areas where roadway rehabilitation is needed. This involves grinding, reshaping, overlay of existing pavement, new pavement, drainage improvements, curb replacement and sidewalk improvements at various locations throughout the City. Streets being rehabilitated this year include Argall Way, Beckman Lane, Chief Kelly Drive, Nivens Street and York Street as shown on the attached exhibits.

City of Nevada City spends about \$400,000 - \$450,000 per year of Measure S funds which are funded by sales tax for paving and improvements of city streets. Other available funds are utilized where applicable for cost-share including Local Transportation Fund, Regional Surface Transportation Program and Gas Tax.

City staff procured bids for Paving and Reconstruction of Various Streets as advertised in July, 2016. Four bids were received, as follows:

- Central Valley Engineering & Asphalt, Roseville, CA
- Hansen Bros. Enterprises, Grass Valley CA
- Teichert Construction, Sacramento CA
- Western Engineering, Loomis CA

Teichert Construction was selected as the lowest responsive and responsible bidder.

FISCAL CONSIDERATIONS: The project will be funded by Regional Surface Transportation Program funds, State Fuel Excise Tax "Gas Tax" Funds, Local Transportation Fund and matching/cost-share using Measure S funds.

ATTACHMENT:

- ✓ Resolution 2016-XX
- ✓ Exhibits of Paving Locations

RESOLUTION 2016-XX

**A RESOLUTION OF THE CITY OF NEVADA CITY
TO AWARD A CONTRACT TO TEICHERT CONSTRUCTION FOR PAVING AND
RECONSTRUCTION OF VARIOUS STREETS AND AUTHORIZE MAYOR TO SIGN**

WHEREAS, the City is in the process of rehabilitating streets on an annual basis;
and

WHEREAS, funding for the street rehabilitation is provided through a variety of available funding sources including Regional Surface Transportation Program funds, State Fuel Excise Tax "Gas Tax" Funds, Local Transportation Fund and matching/cost-share using Measure S City sales tax fund; and

WHEREAS, consistent with Municipal Code requirements, City staff advertised and received four bids for the project.

BE IT RESOLVED, the City Council of the City of Nevada City to award the Contract to Teichert Construction in the amount of \$273,250 plus \$60,000 contingencies for Paving and Reconstruction of Various Streets and authorize the Mayor to sign.

PASSED AND ADOPTED at a regularly scheduled meeting of the Nevada City City Council held on this 10th day of August, 2016 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Evans Phelps, Mayor

ATTEST:

Niel Locke, City Clerk

1) 40 ft Average width

2) Taper Grind both Ends

IC: Scarls & Zion sts. and adjacent pavement at parking lot

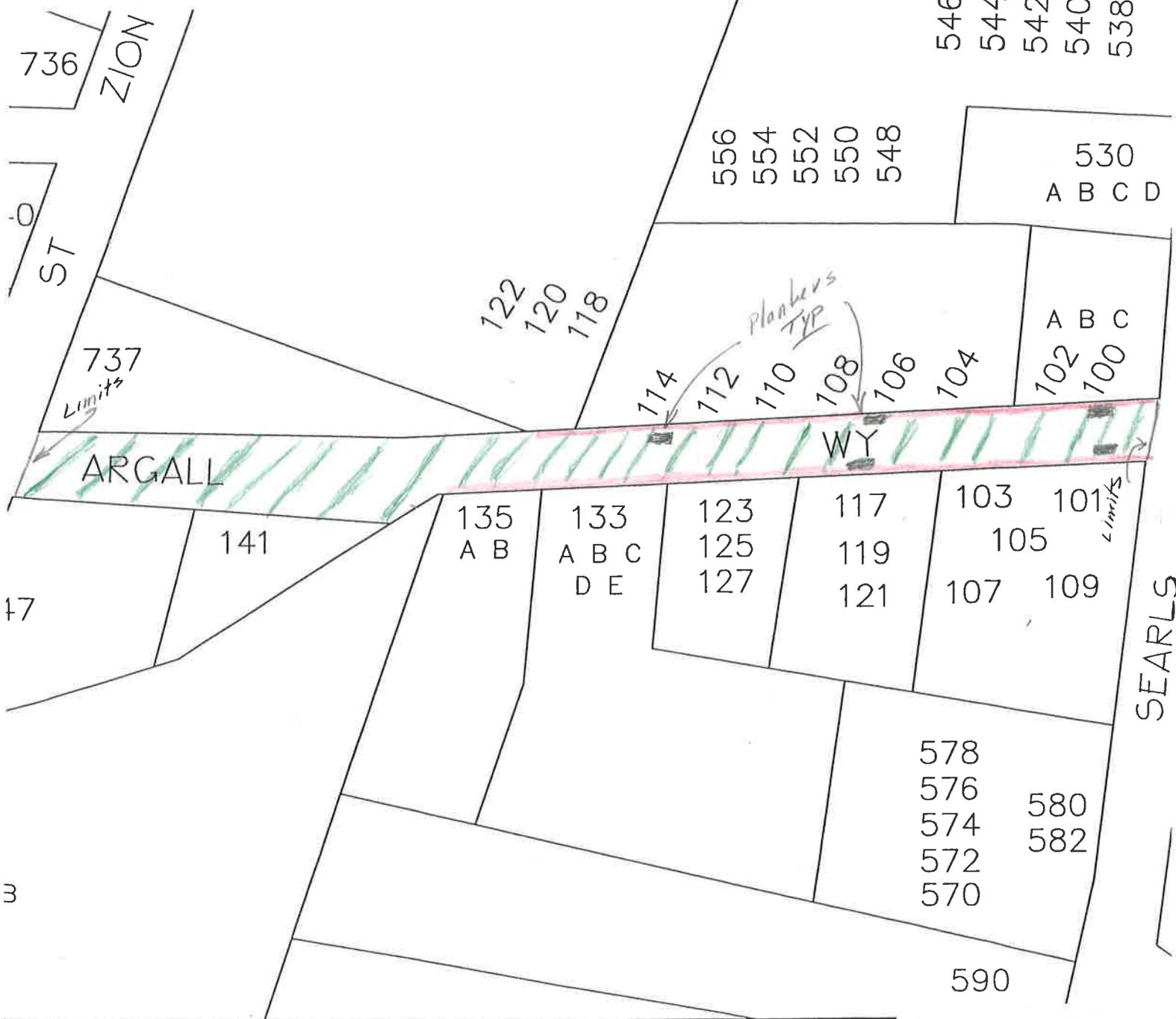
3) Taper grind at Curb and Gutter

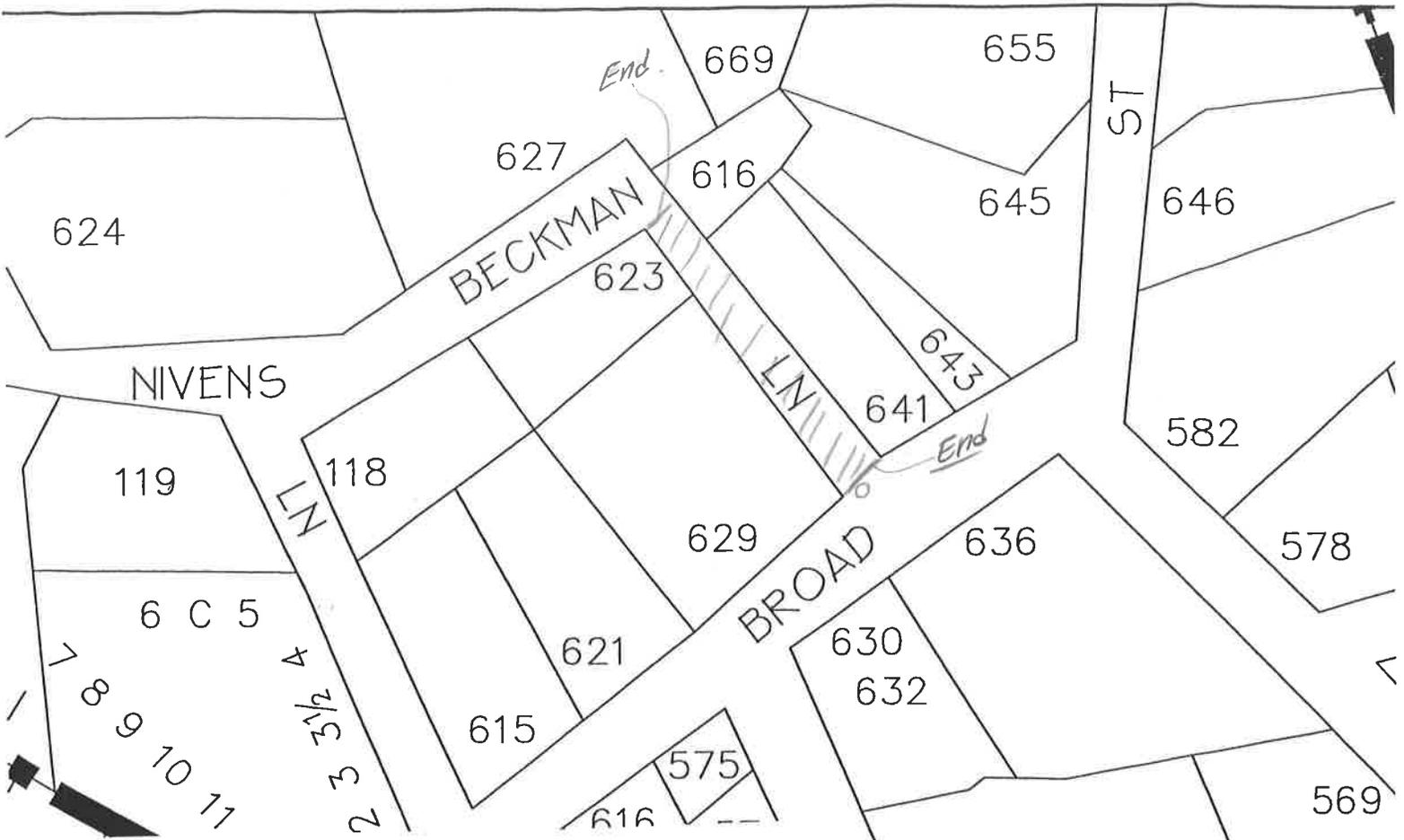
approx 1100' x 4' = 4400 SF

4) Paving 710' x 40' = 28,400 sq' \approx 280 TONS.
(1.5") OVERLAY

SCALE 1' = 100'

*NOTE: NIGHTWORK REQUIRED FOR THIS STREET



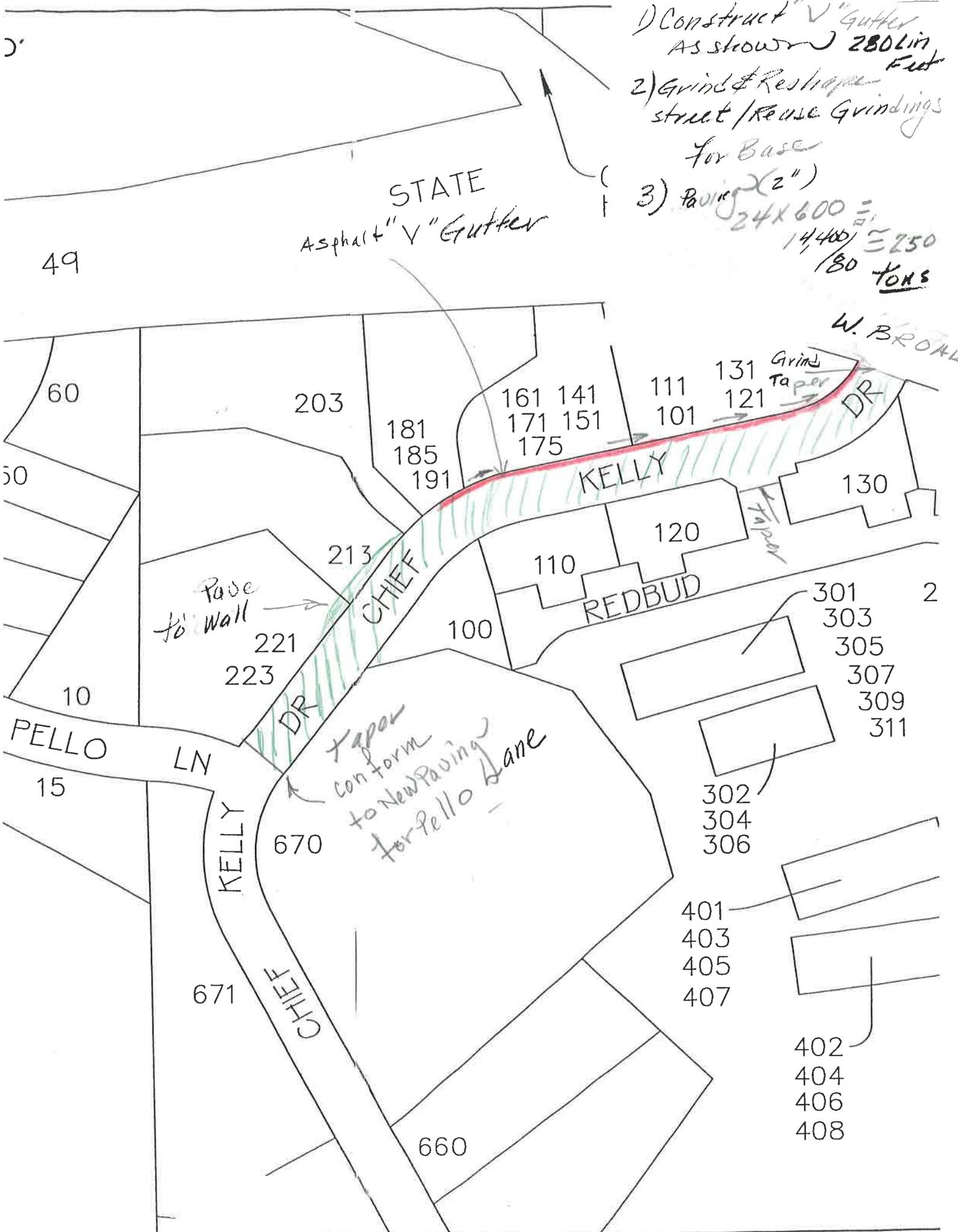


BECKMAN LN

- 1) Grind Entire Area.
 10: E Broad St to top of Hill
- 2) Grind & Taper Both
 Ends (Reshape street use
 Grindings)
- 3) Paving 18' wide x 175' Long
 (2.4") THK x 3200 SF \approx 50 TN
- 4) All drainage to ∇
 of Road from both
 Edges -



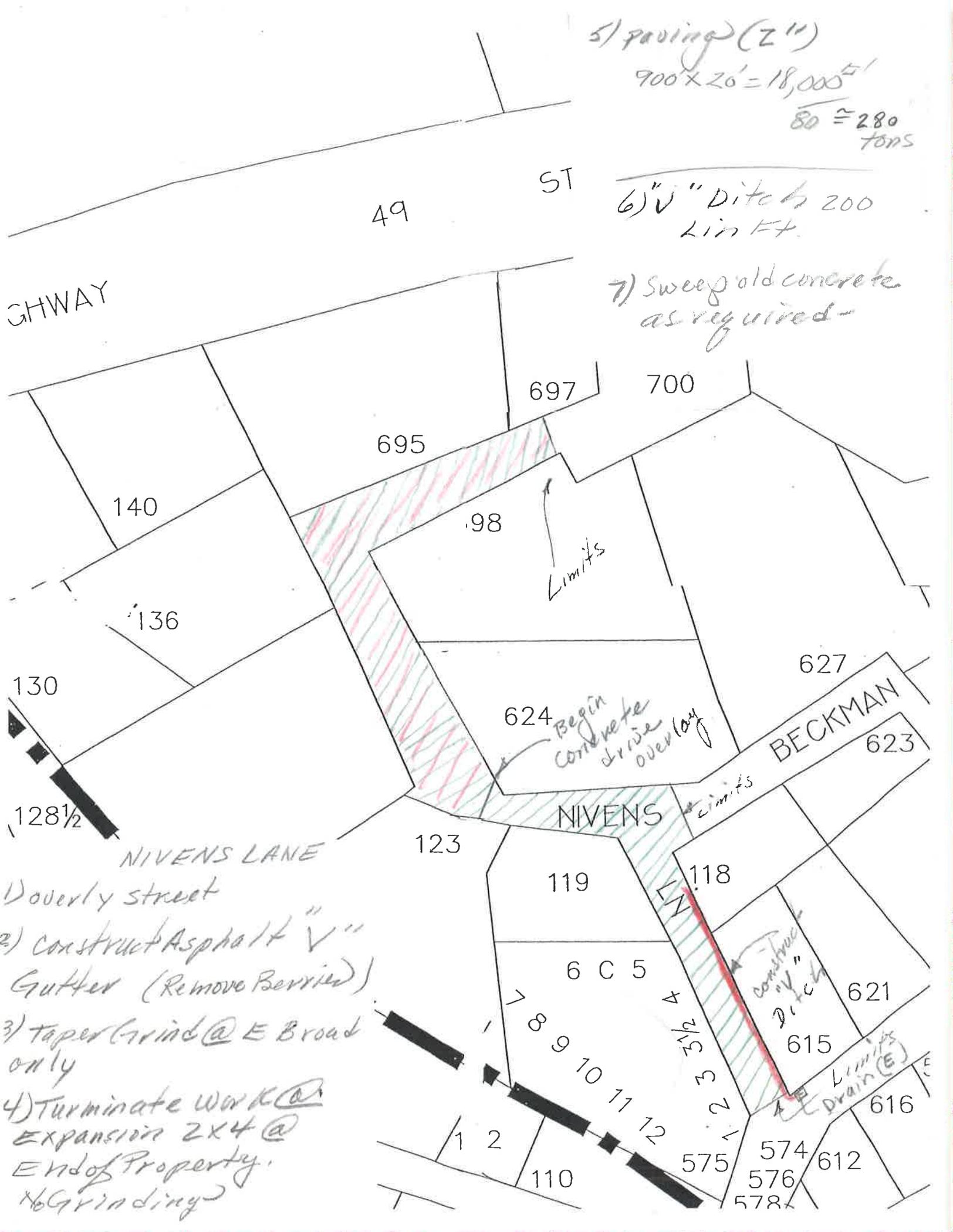
- 1) Construct "V" Gutter
As shown - 280 Lin Feet
- 2) Grind & Reshape
street / Reuse Grindings
for Base
- 3) Paving (2")
 $24 \times 600 = 14,400 \div 80 = 180$ TONS



5) paving (2")
 $900 \times 26' = 18,000 \text{ ft}^2$
 $\frac{18,000}{80} \approx 280$
 tons

6) "V" Ditches 200
 Lin Ft.

7) Sweep old concrete
 as required



- 1) Doverly Street
- 2) Construct Asphalt "V" Gutter (Remove Barrier)
- 3) Taper Grind @ E Broad only
- 4) Terminate Work @ Expansion 2x4 @ End of Property. No Grinding

REPORT TO CITY COUNCIL

City of Nevada City
317 Broad Street
Nevada City, CA 95959
www.nevadacityca.gov

August 10, 2016

TITLE: VantageTrust II Multiple Collective Investment Funds Trust Participation Agreement for the VantageCare Retirement Health Savings Plan

RECOMMENDATION: Adopt VantageTrust II Multiple Collective Investment Funds Trust Participation Agreement and authorize the Mayor to sign.

CONTACT: Catrina Olson, Assistant City Manager

BACKGROUND / DISCUSSION:

In December 2012 the City opened a VantageCare Retirement Health Savings Plan (RHS) through ICMA RC. Currently this is only used for one retired safety employee. The City is in receipt of a notification letter that ICMA RC is restructuring their proprietary investment options to a Collective Investment Trust (CIT) only structure which will affect the city's VantageCare Retirement Health Savings plan. The new CIT only structure will result in a 12 to 14 basis point savings on assets currently invested in the Vantagepoint Funds.

In order to change to the CIT only structure, the registered Vantagepoint Funds will be liquidated beginning September 16, 2016. Concurrently ICMA RC will be making available to RHS plans and participants a new series of CITs, the VT II Vantagepoint Funds (VT II Funds). These new funds have the same objectives and strategies as the corresponding Vantagepoint Funds, but a significant comparative savings.

The VT II Funds will offer the following benefits to the City's RHS plan and participants:

- Access to lower-cost investment options
- Focus on public sector retirement plans
- Simplified Fee Structure

To avoid Vantagepoint Fund assets in the City's RHS plan defaulting to a money market the City needs to adopt VantageTrust II no later than August 26, 2016.

FISCAL IMPACT:

None

ATTACHMENTS:

- ✓ VantageTrust II Participation Agreement



June 2016

Re: Changes Coming to Your VantageCare Retirement Health Savings Plan – *Action Required*

Dear RHS Plan Sponsor:

We are writing to tell you about ICMA-RC's restructuring of our proprietary investment options to a Collective Investment Trust (CIT) only structure. We are also writing to explain how that affects your VantageCare Retirement Health Savings (RHS) plan and the steps you need to take. We are very excited about how these changes will benefit you and your participants. We estimate that the CIT only structure will result in a 12 to 14-basis point savings on assets currently invested in the Vantagepoint Funds.

In order to change to a CIT only structure, the registered Vantagepoint Funds will be liquidated beginning September 16, 2016. Concurrently, we are making available to our RHS plans and participants a new series of CITs, the VT II Vantagepoint Funds (VT II Funds). These new funds have the same objectives and strategies as the corresponding Vantagepoint Funds, but at a significant comparative savings.

Here is where we need your assistance. In order to realize the significant savings of the VT II Funds, and to avoid Vantagepoint Fund assets in your RHS plan defaulting to a money market fund on September 16, 2016, you must adopt VantageTrust II no later than August 26, 2016. Below you will find simple instructions on how to adopt VantageTrust II. Your adoption will serve as instructions to ICMA-RC to transfer RHS assets invested in The Vantagepoint Funds and Dreyfus Cash Management Fund to the corresponding VT II Funds. Upon adoption, we will notify your participants and then transfer assets from The Vantagepoint Funds and Dreyfus Cash Management Fund to the corresponding VT II Funds.

Investment in the VT II Funds through VantageTrust II offers the following benefits to your RHS plan and participants:

- ▶ **Access to lower-cost investment options.** We estimate that the CIT only structure of the VT II Funds will result in a 12 to 14-basis point savings on assets currently invested in the Vantagepoint Funds and the Dreyfus Cash Management Fund. For example, a plan with \$1 million currently invested among the Vantagepoint Funds and Dreyfus Cash Management Fund will experience savings of approximately \$1,200 to \$1,400 each year by transferring Vantagepoint Fund assets to the VT II Funds.
- ▶ **Focus on public sector retirement plans.** VT II Funds are primarily available to public sector retirement plans and their participants. This structure allows us to better focus the VT II Fund investment strategies to address the needs of public sector employees.
- ▶ **Simplified fee structure.** The RHS asset-based plan administration fee, currently deducted directly from participant accounts and reported separately on participant statements, will instead be included in the daily unit value of each VT II Fund, simplifying your participants' statements.

The VT II Funds will continue to provide daily unit values, and transaction instructions will continue to be executed at the end of each business day. In addition, you and your participants will have access to detailed information regarding the VT II Funds through our website and disclosure documents.

ICMA-RC will manage the transition to the VT II Funds, and keep you and your participants informed of the timing and benefits of the transition. Once the transfer is complete, The Vantagepoint Funds and Dreyfus Cash Management Fund will no longer be investment options in your plan.

VantageTrust II Disclosure, Adoption, and Investment Materials

Please review the enclosed information:

- ▶ **VantageTrust II Participation Agreement:** RHS plan sponsors need to review and execute this agreement in order to adopt VT II and become eligible to invest in VT II Funds.
- ▶ **VantageTrust II Declaration of Trust:** The governing document for the operation of VT II. Please review and retain a copy for your records.
- ▶ **VantageCare Retirement Health Savings Plan – VantageTrust II Investment Options:** Key information regarding each VT II Fund available to your RHS plan, including fund objective, strategies, asset allocation ranges, risks, and expenses.
- ▶ **Investments Mapping Chart:** Displays the mapping of the transfer of RHS plan assets from the Vantagepoint Funds and the Dreyfus Cash Management Fund to VT II Funds.
- ▶ **VantageTrust II Disclosure Memorandum:** Additional information regarding VT II and the operation of the funds it makes available to investors.

Action Needed to Invest in the VT II Funds

Review and sign the enclosed VantageTrust II Participation Agreement and return it to us by:

- ▶ fax to 202-682-6439, ATTN: Workflow Management Team;
- ▶ email to planadoptionsservices@icmarc.org; or
- ▶ mail, using the enclosed envelope addressed to ICMA-RC, ATTN: Workflow Management Team, P.O. Box 96220, Washington, D.C. 20090-6220.

Please remember to keep a copy for your records.

If you have any questions, please contact your ICMA-RC Plan Sponsor Services team at 800-326-7272.

Thank you,



David Tanguay
Senior Vice President, Client Services

VantageTrust II Multiple Collective Investment Funds Trust

Participation Agreement

This Participation Agreement is by and between VantageTrust Company, LLC (“Trust Company”), the trustee of the VantageTrust II Multiple Collective Investment Funds Trust (the “Trust”), and the employer executing this Participation Agreement (“Employer”) on behalf of the retirement plan(s) or retirement trust(s) identified on the signature page and effective as of the date specified at the end of this Agreement (the “Retirement Trust”).

RECITALS

1. The Trust Company maintains the Trust (including each separate investment fund established as a “Fund”) under the Declaration of Trust dated January 1, 2015, and all other attachments thereto, as amended and in effect from time to time (the “Declaration of Trust”), as a medium for the collective investment and reinvestment of assets of certain tax-exempt, governmental pension and profit-sharing plans, and retiree welfare plans within the meaning of section 401(a)(24) of the Internal Revenue Code of 1986, as amended, and related trusts, and other eligible investors that become Participating Trusts under the Declaration of Trust (defined as “Eligible Trust” in the Declaration of Trust).
2. The Retirement Trust desires to become a Participating Trust as defined in the Declaration of Trust.

DEFINITIONS

1. Unless otherwise specified herein, any capitalized word or phrase shall have the meaning as set forth in the Declaration of Trust.

AGREEMENT

In consideration of the foregoing and the promises set forth below, the parties agree to the following:

1. **Appointment and Acceptance.** The Employer hereby acknowledges that the Trust Company has appointed ICMA Retirement Corporation (“Investment Adviser”), an investment adviser registered under the Investment Advisers Act of 1940, as an investment adviser, pursuant to the terms of the Declaration of Trust to provide advice and recommendations to the Trust Company in the management of the Funds. The Employer further acknowledges and accepts that the Trust Company is a wholly owned subsidiary of Investment Adviser.
3. **Adoption of Trust.** The Retirement Trust’s participation in each Fund will at all times be subject to the terms of the Declaration of Trust, which is hereby adopted as a part of the Retirement Trust and this Participation Agreement. The Retirement Trust’s participation in each Fund will also be subject to the terms of the Declaration of Trust.
4. **Acceptance of Plan.** The Trust Company accepts the Retirement Trust (including each plan forming a part thereof) as a Participating Trust as of the date specified on the execution page of this Participation Agreement.
5. **Notice of Disqualification.** In the event that the Retirement Trust ceases to be an Eligible Trust as defined in the Declaration of Trust, then, in the case of any such event, the Employer shall deliver to the Trust Company a written notice of its ceasing to be an Eligible Trust within fifteen (15) calendar days of receipt of any notice, execution of any amendment, receipt of any letter or determination of such cessation. Upon the Trust

Company's receipt of such information, in writing or otherwise, the Retirement Trust's Units shall be redeemed in accordance with the provisions of the Declaration of Trust.

WARRANTIES, REPRESENTATIONS AND COVENANTS OF EMPLOYER AND ELIGIBLE TRUST

1. Employer and Retirement Trust represent and warrant as follows:
 - A. The Retirement Trust meets the definition of an "Eligible Trust" under the Declaration of Trust. This means the Retirement Trust is any of the following:
 - i. a retirement, pension, profit-sharing, stock bonus, or other employee benefit trust that is exempt from Federal income taxation under Section 501(a) of the Code by reason of qualifying under Section 401(a) of the Code; or
 - ii. an eligible governmental plan trust or custodial account under Section 457(b) of the Code that is exempt under Section 457(g) of the Code; or
 - iii. Section 401(a)(24) governmental plans; or
 - iv. any common, collective, or commingled trust fund the assets of which consist solely of assets of eligible investors in a group trust under Revenue Ruling 81-100; or
 - v. an insurance company separate account (i) the assets of which consist solely of assets of eligible investors in a group trust under Revenue Ruling 81-100, (ii) with respect to which the insurance company maintaining the separate account has entered into a written arrangement with the Trust Company consistent with the requirements of Revenue Ruling 2011-1, and (iii) the assets of which are insulated from the claims of the insurance company's general creditors; or
 - vi. any other plan, trust, or other entity that is an eligible investor in a group trust under Revenue Ruling 81-100.
 - B. The Retirement Trust is established, maintained and administered under one or more documents that authorize part or all of the assets of the Retirement Trust to be transferred to, and commingled for investment purposes in, a Trust that meets the requirements of Revenue Ruling 81-100;
 - C. The Declaration of Trust (including each Fund thereunder) is adopted as part of the Retirement Trust;
 - D. Authorization or license from any foreign, federal, state or local regulatory authority or agency required on the part of the Employer or the Retirement Trust has been obtained and any necessary filing with any of the foregoing has been duly made.
2. Employer hereby represents and acknowledges the following:
 - A. It has the requisite authority to enter into this Participation Agreement on behalf of the Retirement Trust, to authorize investments under the provisions of the documents of the Retirement Trust and to make, on behalf of the Retirement Trust, any and all certifications, covenants, representations or warranties set forth in this Agreement.

- B. It has received and reviewed the Declaration of Trust, any addenda thereto, the VantageTrust II Funds Disclosure Memorandum, and any additional materials and information it has requested describing the Trust, and its business and operation, and that in making a prudent investment decision with respect to the contribution of assets to the Trust in exchange for Units, the Employer has relied solely upon independent investigations made, directly or indirectly, by it.
 - C. It has been given the opportunity to review with the Trust Company the terms and conditions of this Participation Agreement and the Declaration of Trust, and to obtain additional information to verify the accuracy of the information contained in the aforesaid materials, and such other information as it desires to evaluate its investment in the Trust.
 - D. The Units of the Fund(s) have not been registered under the Securities Act of 1933, or the applicable securities laws of any states or other jurisdictions.
 - E. Neither the Trust nor any Fund is registered under the Investment Company Act of 1940 and investors are not entitled to the protections of that Act.
 - F. The Units of the Fund(s) are not insured by the Federal Deposit Insurance Corporation or any other type of deposit insurance coverage.
3. Employer agrees promptly to notify the Trust Company in the event that any of the representations set forth above or any information provided pursuant to the provisions hereof ceases to be accurate during the term of this Participation Agreement. Until such notice is given to the Trust Company, the Trust Company may rely on the representations contained in, and all other information provided pursuant to or as contemplated by, this Participation Agreement in connection with all matters related to the Funds and the Trust.

FEES AND EXPENSES

- 1. Fees and expenses incurred with respect to the Trust, including compensation of the Trustee, shall be paid in accordance with the Declaration of Trust.

MISCELLANEOUS

- 1. **Construction.** This Participation Agreement shall be deemed to be executed and delivered in the District of Columbia, and, except to the extent superseded by federal laws, all laws or rules of construction of the District of Columbia shall govern the rights of the parties hereto and the interpretation of provisions of this Participation Agreement.
- 2. **Counterparts.** This Participation Agreement may be executed in any number of separate counterparts, each of which shall be deemed an original, but the several counterparts shall together constitute one and the same Participation Agreement of the parties hereto.
- 3. **Amendments.** This Participation Agreement shall be automatically amended by any amendment to the Declaration of Trust, and all such amendments shall be automatically incorporated by reference herein, and any provisions of this Participation Agreement inconsistent with the terms of such amendment shall be null and void on and after the effective date of such amendment.
- 4. **Agreement Conflicts.** In the event that any terms of this Participation Agreement conflict with or are in addition to the terms of any Administrative Services Agreement (“ASA”) between the parties, the terms of this Participation Agreement and the Declaration of Trust shall prevail. In the event that the terms of this

Participation Agreement conflict with the terms of the Declaration of Trust, the terms of the Declaration of Trust shall prevail.

5. **Prohibited Transactions.** If the Trust Company determines that the Retirement Trust's involvement with certain assets, liabilities or transactions will result, or has resulted, in the Trust engaging in a transaction that is prohibited by the Internal Revenue Code, Securities Act of 1933, Investment Company Act of 1940 or other applicable law, the Trust Company, in its sole discretion, may take action to correct such prohibited transaction, or may treat the Retirement Trust as having withdrawn from participation and shall redeem the Retirement Trust's Units, all in accordance with the Declaration of Trust.
6. **Severability.** Each clause or term of this Participation Agreement is severable from the entire Participation Agreement, and if any clause or term is declared invalid, the remaining clauses or terms shall remain in effect.

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IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date specified below.

VantageTrust II Multiple Collective Investment Funds Trust

By: VantageTrust Company, LLC, as Trustee,



By: Angela Montez
Secretary

Plan/Retirement Trust:

Plan/Retirement Trust Name

ICMA-RC Plan Number

Plan/Retirement Trust Name

ICMA-RC Plan Number

By: _____
Name of Employer or Fiduciary

Customer Number

By: _____
Authorized Officer Signature

Date

Printed Name and Title

Address Line 1

Address Line 2

Telephone Number

VantageTrust II Multiple Collective Investment Funds Trust
Declaration of Trust

WHEREAS, VantageTrust Company, LLC, a trust company organized under the laws of the State of New Hampshire (the "Trustee"), hereby establishes the **VantageTrust II Multiple Collective Investment Funds Trust** (the "Trust") pursuant to this Declaration of Trust effective January 1, 2015; and

WHEREAS, the Trust is intended to provide for the collective investment and reinvestment of assets of certain tax-exempt, governmental pension and profit-sharing plans, and retiree welfare plans within the meaning of section 401(a)(24) of the Internal Revenue Code of 1986, as amended ("Code"), and related trusts, and other eligible investors that become Participating Trusts hereunder; and

WHEREAS, it is intended that the Trust established hereunder shall be exempt from taxation under Code Section 501(a) and qualify as a group trust under Revenue Ruling 81-100 (and any successor ruling, regulation, or similar pronouncement), and that this Declaration of Trust shall be construed, and shall be administered, to give effect to that intention.

NOW, THEREFORE, the Trustee declares that it will hold and administer in trust all money and property acceptable to it and received or purchased by it as Trustee hereunder, together with the income and proceeds thereof upon the following terms and conditions.

ARTICLE 1
DEFINITIONS

- 1.01** "Affiliate" means any entity controlling, controlled by, or under common control with the Trustee.
- 1.02** "Business Day" means any day in which the New York Stock Exchange is open for trading.
- 1.03** "Class" means a class of a Fund established and maintained pursuant to the provisions of Article 2.
- 1.04** "Code" means the Internal Revenue Code of 1986, as amended from time to time. Any reference to a provision of the Code in the Declaration of Trust also shall be deemed to refer to any successor provision.
- 1.05** "Declaration of Trust" means this Declaration of Trust.
- 1.06** "Dedicated Account" means a segregated account established and maintained in accordance with Article 8 to hold cash, securities, or other assets received from, and other investments made for the benefit of, one or more Participating Trusts pending the investment of such assets in a Fund, or in connection with the distribution or withdrawal of such assets.

- 1.07** “**Description of Classes**” has the meaning ascribed to it in Section 2.02.
- 1.08** “**Eligible Trust**” means any of the following:
- (a) a retirement, pension, profit-sharing, stock bonus, or other employee benefit trust that is exempt from Federal income taxation under Section 501(a) of the Code by reason of qualifying under Section 401(a) of the Code; or
 - (b) an eligible governmental plan trust or custodial account under Section 457(b) of the Code that is exempt under Section 457(g) of the Code; or
 - (c) Section 401(a)(24) governmental plans; or
 - (d) any common, collective, or commingled trust fund the assets of which consist solely of assets of eligible investors in a group trust under Revenue Ruling 81-100; or
 - (e) an insurance company separate account (i) the assets of which consist solely of assets of eligible investors in a group trust under Revenue Ruling 81-100, (ii) with respect to which the insurance company maintaining the separate account has entered into a written arrangement with the Trustee consistent with the requirements of Revenue Ruling 2011-1, and (iii) the assets of which are insulated from the claims of the insurance company’s general creditors; or
 - (f) any other plan, trust, or other entity that is an eligible investor in a group trust under Revenue Ruling 81-100.
- 1.09** “**Fund**” means a fund of the Trust established and maintained pursuant to the provisions of Article 2. The Funds so established shall be known as the “VantageTrust II Funds.”
- 1.10** “**Investment Guidelines**” has the meaning ascribed to it in Section 4.01.
- 1.11** “**Investment Adviser**” means, for purposes of this Agreement, International City Management Association Retirement Corporation, as of the date of this Declaration of Trust, and any successor appointed hereunder to provide investment advice and services to the Trust or Trustee.
- 1.12** “**Liquidating Account**” means a segregated account established and maintained in accordance with Article 8 to facilitate the liquidation and pricing of the assets contained therein for the benefit of any Participating Trust holding a beneficial interest therein.
- 1.13** “**Local Currency**” has the meaning ascribed to it in Section 5.02(c).

- 1.14** “**Participating Trust**” means an Eligible Trust which has executed a Participation Agreement, has been accepted to the Trust by the Trustee, has transferred assets to the Trust, and has a beneficial interest in the Trust.
- 1.15** “**Participation Agreement**” means an agreement entered into by the Trustee and an Eligible Trust pursuant to which such Eligible Trust will become a Participating Trust upon acceptance to the Trust by the Trustee, and certain assets of such Participating Trust will be invested in the Trust.
- 1.16** “**Plan Fiduciary**” means the person or persons, or his, her, its or their duly authorized agent, who directs the investments of the assets of a Participating Trust in the Trust, but shall not include the Trustee in its capacity as Trustee of the Trust or the Investment Adviser in its capacity as investment adviser to the Trustee and the Trust. If the person who directs the investments of any assets of a Participating Trust in the Fund is a participant or beneficiary, or the duly authorized agent of such participant or beneficiary, entitled to benefit from the Participating Trust and is acting in his capacity as such, then Plan Fiduciary shall mean the plan sponsor or appropriate plan fiduciary, or any duly authorized agent thereof, which has authorized the use of the Fund as an investment option for participants and beneficiaries of the relevant Participating Trust.
- 1.17** “**Revenue Ruling 81-100**” means Internal Revenue Service Revenue Ruling 81-100, 1981-1 C.B. 326, as amended by and clarified in Revenue Ruling 2004-67, 2004-2 C.B. 28, Revenue Ruling 2011-1, 2011-2 C.B. 251, Revenue Ruling 2014-24, 2014-37 I.R.B. 529, and Notice 2012-6, 2012-3 I.R.B. 293, and as may be further amended or clarified from time to time, including any applicable rules or interpretations of the Department of the Treasury or the Internal Revenue Service, or any other subsequent corresponding Internal Revenue Service Revenue Ruling or other guidance regarding a tax-exempt “group trust.”
- 1.18** “**Trust**” has the meaning ascribed to it in the Recitals.
- 1.19** “**Trustee**” has the meaning ascribed to it in the Recitals.
- 1.20** “**Unit**” means a book-entry record used to determine the value of an undivided beneficial interest in a Fund or a Class of a Fund calculated as provided in Section 5.01.
- 1.21** “**Valuation Date**” means each Business Day upon which the Trustee is open for business unless the Trustee shall determine otherwise, in accordance with Section 5.03.

ARTICLE 2
ESTABLISHMENT OF FUNDS AND CLASSES OF FUNDS

- 2.01 Establishment of Funds.** The Trustee may from time to time establish such Funds as it deems necessary and advisable to provide for the collective investment and reinvestment of assets of Participating Trusts. Each Fund shall be administered, managed, and invested separately. The Investment Guidelines, including the applicable investment objectives, guidelines, and policies, for each Fund are set forth in Appendix A hereto. There is no assurance that any of the Funds will achieve its investment objectives.
- 2.02 Establishment of Classes.** The Trustee, in its sole discretion and at any time, may divide a Fund into one or more Classes with differing fee and expense obligations or liabilities. The beneficial interest of each Participating Trust in a Class will be represented by Units. The Trustee may establish a Class by attaching a written description of Classes as Appendix B to this Declaration of Trust (the "Description of Classes"), which will specify the Trustee's rate of compensation and other expenses, costs, charges, and liabilities allocable to each Class of Units, as well as any conditions that must be satisfied to participate in such Class. Each Unit of a Class of a Fund shall represent an undivided proportionate interest in all the assets of the Fund.
- 2.03 Change in the Units.** As of any Valuation Date, the Trustee, in its sole discretion, may make a uniform change in the Units of any Class of a Fund either by dividing such Units into a greater number of Units of lesser value, or combining such Units to produce a lesser number of Units of greater value, provided that the proportionate interest of each Participating Trust in a Fund or Class of a Fund, as the case may be, shall not thereby be changed.
- 2.04 No Certificates.** No certificates shall be issued to evidence any Participating Trust's interest in the Trust, but the Trustee shall keep a record of the number of Units held by each Participating Trust.

ARTICLE 3
PARTICIPATION

3.01 **Conditions of Participation.** The Trustee shall accept assets under this Declaration of Trust only from an Eligible Trust that:

- (a) will not jeopardize the Trust's exemption from the registration requirements of the Federal and state securities law by virtue of the Eligible Trust's investment of assets in the Trust; and
- (b) is governed by one or more instruments that authorize the investment of the Eligible Trust's assets in collective or commingled trust funds generally, or in the Trust specifically, and that provide that the Trust will become a part of the Eligible Trust upon adoption by such Eligible Plan.

Each Eligible Trust that desires to become a Participating Trust shall establish to the Trustee's satisfaction that it meets the conditions of participation set forth in this Section 3.01, including that it satisfies the definition of Eligible Trust in Section 1.08. Upon the Trustee's request, such Eligible Trusts shall provide such written evidence or other assurances that the Trustee may deem necessary or advisable.

3.02 **Commencement and Continuation of Participation.** An Eligible Trust shall become a Participating Trust in a Fund upon the Trustee's acceptance, in the Trustee's sole discretion, of such Eligible Trust's application to become a Participating Trust, and as of the Valuation Date specified in the applicable Participation Agreement. An Eligible Trust that has been accepted as a Participating Trust shall continue to be eligible to participate in the Trust, subject to the following conditions:

- (a) During such time as any assets of a Participating Trust are held in the Trust, (i) this Declaration of Trust shall govern the management and administration of such assets, and (ii) any inconsistency between the governing instrument of the Participating Trust and this Declaration of Trust relating to the management or administration of the Participating Trust's assets held hereunder, or to the rights, powers, responsibilities or liabilities of the Trustee with respect thereto, shall be resolved in favor of this Declaration of Trust.
- (b) If at any time a Participating Trust shall fail to satisfy all of the conditions of participation set forth in this Section 3.02, including that it satisfies the definition of Eligible Trust in Section 1.08, such Participating Trust shall promptly notify the Trustee. Notwithstanding

any provision herein to the contrary, if the Trustee receives actual notice that a Participating Trust has ceased to be an Eligible Trust, or if the Trustee determines in its sole discretion that a Participating Trust should withdraw for any reason, the Trustee shall take all steps necessary to distribute to such Participating Trust its entire interest in the Trust in accordance with Section 3.06 below as soon as practicable after the Trustee receives such notice or makes such determination.

3.03 Other Conditions of Participation. The Trustee may establish other conditions for eligibility to participate in any particular Fund or Class of a Fund by setting forth such conditions in the applicable Description of Classes for such Fund.

3.04 Investments.

- (a)** Subject to the Trustee's discretion, and in accordance with such procedures as the Trustee shall prescribe from time to time, a Participating Trust may, as of any Valuation Date, acquire a beneficial interest in any Class of a Fund by transferring to the Trustee, either directly or with such other trade delivery mechanisms as the Trustee in its sole discretion may permit, such assets as (i) the Plan Fiduciary of such Participating Trust shall instruct, or (ii) if such Participating Trust permits participants and beneficiaries thereof to direct investment of their accounts, and such instructions are communicated to the Trustee by such participants and beneficiaries, as such participants and beneficiaries shall instruct.
- (b)** A Participating Trust may invest in the Trust in cash or in-kind, or partly in cash and partly in-kind, as the Trustee in its sole discretion determines. Only cash and such other assets as are permissible investments for a Fund, and which are acceptable to the Trustee, may be invested in the Trust. The Trustee shall value assets transferred in-kind in accordance with Section 5.02 as of the Valuation Date on which such transfer is made, subject to Section 3.07 below.
- (c)** The Trustee shall credit the account of each Participating Trust that transfers assets to the Trust the number of Units that such assets will purchase at the value of each Unit of the Class in which the Participating Trust will acquire an interest on the Valuation Date on which the transfer is made.

3.05 Withdrawals. Subject to the Trustee's discretion and Section 5.03, and in accordance with such procedures as the Trustee shall prescribe from time to

time, a Participating Trust may, as of any Valuation Date, request to withdraw any number of Units of any Class of the Fund in which it has invested and has an interest.

Unless the Plan Fiduciary specifies a different Valuation Date, withdrawals will normally be effective no later than the Valuation Date following the date on which the Trustee receives the withdrawal instructions, provided that the Trustee receives such withdrawal instructions on or before 12:00 p.m. Eastern Time on such date. If the Trustee receives withdrawal instructions after 12:00 p.m., such withdrawal shall normally be effective no later than two (2) Business Days following the Trustee's receipt of such withdrawal instructions.

3.06 Distributions upon Withdrawal. Upon the withdrawal of Units of any Class of a Fund by a Participating Trust, subject to the provisions of Section 3.07 below, the Trustee shall distribute from such Fund to the Participating Trust making such withdrawal a sum arrived at by multiplying the number of Units withdrawn by the value of each Unit of such Class of such Fund as of the close of business on the effective date of the withdrawal.

Such sum shall be distributed in cash or in-kind, or partly in cash and partly in-kind (including, but not limited to, an in-kind distribution of beneficial interests in a Liquidating Account or Dedicated Account), as the Trustee in its sole discretion determines. Distributions to individual participants in a Participating Plan will normally be paid in cash, but the Trustee reserves the right to pay such distributions in-kind, in whole or in part, to the extent permitted under applicable law. The Trustee shall determine the value of any asset that is distributed in-kind in accordance with the procedures set forth in Section 5.02 as of the close of business on the effective date of the withdrawal.

Distributions shall be paid within a reasonable time following the effective date of the applicable withdrawal. The Trustee may, however, delay distribution of any withdrawal for up to an additional ninety (90) calendar days in the event that the Trustee determines, in good faith and in its discretion, that an earlier distribution may have an adverse impact on the Fund. Further, any distribution payment may be delayed if the Trustee determines that it cannot reasonably make such distribution payment on account of an order, directive, or other interference by an official or agency of any government, or on account of any other cause reasonably beyond its control, including, but not limited to, illiquid markets or illiquid securities. If a distribution is delayed, if permitted under applicable law, the Participating

Trust will not receive any interest or other income for the period between the effective date of the withdrawal and the date the distribution is paid.

In the absence of a proper direction from the withdrawing Participating Trust, the Trustee may in its discretion move the assets of such Participating Plan to a general trust account established by the Trustee or an Affiliate, and may charge reasonable fees for services against the Participating Trust's assets.

3.07

Investment and Withdrawal Expenses. The Trustee may, in its sole discretion and to the extent permissible under applicable law, determine that the actual expenses incurred, or estimated expenses expected to be incurred, in connection with a Participating Trust's investment in, or withdrawal from, a Fund should be borne by the Participating Trust making such investments or withdrawals. Such expenses shall be collected by the Trust for the exclusive benefit of the applicable Fund and be charged to such Participating Trust by reducing the number of Units issued or to be issued to any such Participating Trust or the amount of cash or securities to be distributed to any Participating Trust, as the case may be, by the amount of such expenses, which amount the Trustee shall determine in good faith and in its sole discretion.

ARTICLE 4
INVESTMENTS AND ADMINISTRATION

- 4.01 Fund Investment Guidelines.** Subject to the provisions of this Article 4, the Trustee shall invest and reinvest the assets of each Fund in accordance with the Investment Guidelines of such Fund. The decision of the Trustee as to whether an investment is of a type which may be purchased by a Fund under a Fund's Investment Guidelines shall be conclusive and binding on all persons having an interest in the Fund. In the case of any conflict between the specific terms of the Investment Guidelines, and this Declaration of Trust, the Investment Guidelines shall control, except that no term of the Investment Guidelines may vary any term or condition of this Declaration of Trust that would cause the Trust to fail to qualify as a group trust under Revenue Ruling 81-100.
- 4.02 Temporary Net Cash Overdrafts.** The Trustee may, to the extent permitted by law, extend credit to the Trust to cover temporary net cash overdrafts of the Trust, or for other permissible purposes, but shall not otherwise lend money or sell property to, or borrow money or buy property from the Trust or a Fund, nor shall the Trustee have any interest in the Trust or a Fund, other than in its fiduciary capacity.
- 4.03 Ownership of Assets.** The ownership of all assets of the Trust and of each Fund shall at all times be considered as vested in the Trustee in its fiduciary capacity. No Participating Trust shall be deemed to have an ownership interest in any asset of any Fund, but each Participating Trust invested in a Fund shall have an undivided beneficial interest in such Fund and shall share proportionately with all other Participating Trusts invested in such Fund in the net income, profits, and losses thereof, to the extent permissible under applicable law and subject to the allocation of certain fees and expenses with respect to the various Classes, if any, of the Fund.
- 4.04 Cash Balances.** The Trustee may hold such part of a Fund un-invested as may be reasonably necessary for orderly administration of the Fund, and may deposit cash awaiting investment or distribution in short-term investments which it determines bear a reasonable rate of interest, or in interest-bearing accounts maintained by any bank or savings association, so long as the deposits of such bank or savings association are insured by the Federal Deposit Insurance Corporation up to the applicable limits.
- 4.05 Dealings with the Funds.** All persons extending credit to the Trust for a particular Fund, contracting with the Trustee with respect to a Fund, or having any claim of any type related to a Fund hereunder (including, but not

limited to, contract, tort and statutory claims) shall look only to the assets of such Fund (and not to the assets of any other Fund) for payment under such credit, contract or claim. No Participating Trust, or any beneficiary, trustee, employee or agent thereof, or the Trustee (or any Affiliate), or any of the officers, directors, shareholders, partners, employees or agents of the Trustee (or any Affiliate) shall be personally liable for any obligation of any Fund. Every act or thing whatsoever executed or done by or on behalf of any Fund shall be conclusively deemed to have been executed or done only by or for such Fund, and no Fund shall be answerable for any obligation assumed or liability incurred by another Fund established hereunder.

4.06 Management Authority. The Trustee shall have exclusive management and investment authority with respect to any Fund established pursuant to this Declaration of Trust. Subject to the foregoing, the Trustee may retain and consult with such investment advisers or other consultants, including, but not limited to, any Affiliate of the Trustee, as the Trustee in its sole discretion may deem advisable, to assist it in carrying out its responsibilities under this Declaration of Trust pursuant to Section 4.07(v) below. The Trustee may, in its sole discretion, incorporate the advice of such investment advisers and other consultants into any Investment Guidelines, investment objectives, or restrictions. Notwithstanding the appointment of an investment adviser or consultant, all final investment decisions for a Fund shall be made by the Trustee.

4.07 Management and Administrative Powers. The Trustee shall have the rights, powers, and privileges of an absolute owner in the management and administration of each Fund established pursuant to this Declaration of Trust. In addition to and without limiting the powers and discretion conferred upon the Trustee elsewhere in this Declaration of Trust, but subject to any restrictions in the Investment Guidelines with respect to the Fund(s), or by applicable law, the Trustee shall have the following discretionary powers with respect to the Trust:

- (a)** To subscribe for and to invest and reinvest Trust assets in, to enter into contracts with respect to, and to hold for investment and to sell or otherwise dispose of any property whatsoever and wherever situated, and whether or not productive of income or consisting of wasting assets, including, but not limited to: (i) asset-backed securities, bankers' acceptances, bonds, commercial paper, debentures, mortgages, notes, and all other evidences of indebtedness; (ii) beneficial interests in any trusts; (iii) calls, puts, spreads, straddles or any combination thereof; (iv) certificates of

demand, demand or time deposits; (v) commodity or security futures, including contracts for the future delivery of currency or money market instruments; (vi) common and preferred stocks; (vii) convertible securities, limited partnership interests, participations or profit-sharing interests, subscription rights, warrants and all other contracts for or evidences of equity interests; (viii) direct or indirect interests in mortgages on real estate and real estate; (ix) foreign currencies; (x) forward and spot contracts; (xi) indexed and variable interest notes and investment contracts; (xii) individual securities, both domestic and foreign; (xiii) interests in collective investment funds that are exempt from tax under the Code (including but not limited to interests in any collective investment fund the Trustee or any of its Affiliates maintain (and while the assets are so invested, such collective investment funds and the instruments pursuant to which such collective investment funds are established shall constitute a part of this Declaration of Trust with respect to the Fund that holds such interest)); (xiv) obligations guaranteed or issued by foreign sovereign governments; (xv) obligations guaranteed or issued by state or local governments or instrumentalities; (xvi) obligations guaranteed or issued by the U.S. Government and its agencies and instrumentalities; (xvii) options on futures contracts; (xviii) options on indexes and securities; participation and trust certificates; (xix) repurchase agreements; (xx) securities issued by registered or unregistered investment companies (including but not limited to such companies that the Investment Adviser, the Trustee or any of their respective Affiliates maintains or advises); (xxi) security-based and non-security-based swap agreements; and (xxii) uninvested cash, pending investment or distribution.

- (b)** To lend, pledge, mortgage, hypothecate, write options on and lease any of the securities, instruments or assets referred to in Section 4.07(a) above, and without limiting the foregoing, to engage in any securities lending program on behalf of the Trust in compliance with applicable law (and in connection therewith, to direct the investment of cash collateral and other assets received as collateral in connection therewith), and during the term of such loan of securities to permit the securities so lent to be transferred in the name of and voted by the borrower, or others;

- (c)** To make distributions to the Participating Trusts, payable in cash, property or any combination of cash and property as determined by the Trustee in its sole discretion, out of the assets of the Trust;
- (d)** To establish and maintain bank, brokerage, commodity, currency, and other similar accounts, whether domestic or foreign, to enter into agreements in connection therewith, and, from time to time, to deposit securities or other Trust assets in such accounts;
- (e)** To sell securities and other assets for cash or upon credit, to convert, redeem, or exchange securities or property, to tender securities pursuant to tender offers, or otherwise to dispose of any securities or other assets at any time held by a Fund, or by the Trustee on behalf of a Fund;
- (f)** Subject to Section 4.05 above, to borrow money and in connection with any such borrowing, to issue notes or other evidences of indebtedness to secure such borrowing by mortgaging, pledging, or otherwise subjecting the Trust assets to security interests, to lend Trust assets, to endorse or guarantee the payment of any notes or other obligations of any person, and to make contracts of guaranty or suretyship, or otherwise assume liability for payment thereof;
- (g)** To incur and pay out of the assets of a Fund any charges, taxes, and expenses which in the opinion of the Trustee are necessary or incidental to, or in support of, the carrying out of any of the purposes of this Declaration of Trust or the Investment Guidelines applicable to such Fund (including, but not limited to, the compensation and fees for the Trustee, custodians, the valuation committees or agents, depositories, pricing agents, transfer agents, accountants, attorneys, brokers and broker-dealers, proxy voting agents and other independent contractors or agents);
- (h)** To join with other holders of any securities or debt instruments in acting through a committee, depository, voting trustee or otherwise, and in that connection to deposit any security or debt instrument with, or transfer any security or debt instrument to, any such committee, depository or trustee, and to delegate to them such power and authority with relation to any security or debt instrument (whether or not so deposited or transferred) as the Trustee shall deem proper, and to agree to pay, and to pay, such portion of the expenses and compensation of such committee, depository or trustee as the Trustee shall deem proper;

- (i)** To enter into joint ventures, general or limited partnerships, limited liability companies, and any other combinations or associations formed for investment purposes;
- (j)** To collect and receive any and all money and other property due to the Trust and to give full discharge thereof;
- (k)** To maintain the indicia of ownership of assets outside the United States to the extent permitted by applicable law;
- (l)** To transfer any assets of the Trust to a custodian or sub-custodian employed by the Trustee;
- (m)** To retain any property received by the Trust at any time, and to sell or exchange any property for cash, on credit or for other consideration, at public or private sale;
- (n)** To exercise or dispose of any conversion, subscription, or other rights, discretionary or otherwise, including but not limited to the right to vote and grant proxies appurtenant to any property held by the Trust at any time, and to vote and grant proxies with respect to all investments held by the Trust at any time;
- (o)** To renew or extend any obligation held by the Trust;
- (p)** To register or cause to be registered such property in the name of a nominee of the Trustee or any custodian or sub-custodian appointed by the Trustee, provided that the records of the Trustee and any such custodian or sub-custodian shall show that such property belongs to the Trust;
- (q)** To deposit securities with a securities depository and to permit the securities so deposited to be held in the name of the depository's nominee, and to deposit securities issued or guaranteed by the U.S. government or any agency or instrumentality thereof, including but not limited to securities evidenced by book-entry rather than by certificate, with the U.S. Department of the Treasury, a Federal Reserve Bank, or other appropriate custodial entity, provided that the records of the Trustee or any custodian or sub-custodian appointed by the Trustee shall show that such securities belong to the Trust;
- (r)** To settle, compromise, or submit to arbitration any claims, debts, or damages due or owing to or from the Trust to commence or defend suits or legal proceedings whenever, in the Trustee's judgment, any interest of the Trust so requires, to represent the Trust in all suits or

legal proceedings in any court or before any other body or tribunal, and to pay from the Trust all costs and reasonable attorneys' fees in connection therewith;

- (s)** To organize or acquire one or more corporations, wholly or partly owned by the Trust, each of which may be exempt from Federal income taxation under the Code, to appoint ancillary or subordinate trustees, custodians, or sub-custodians to hold title to or other indicia of ownership of property of the Trust in those jurisdictions, domestic or foreign, in which the Trustee is not authorized to do business, and to define the scope of the responsibilities of such trustee, custodian, or sub-custodian;
- (t)** Subject to Section 4.06 above, to employ suitable agents, including but not limited to agents or pricing services, to perform valuations of the assets of the Trust, custodians and sub-custodians, transfer agents, investment advisers, consultants, auditors, depositories, and counsel, domestic or foreign (including but not limited to entities which are Affiliates of the Trustee), and subject to applicable law, to pay their reasonable expenses and compensation from the Trust;
- (u)** To establish and terminate Funds and Classes, and to allocate the assets of the Trust among such Funds and Classes (subject to the Description of Classes applicable to any such Fund);
- (v)** To make, execute, and deliver any and all contracts and documents deemed necessary and proper for the accomplishment of the Trustee's powers and responsibilities under this Declaration of Trust; and
- (w)** To do all other acts in its judgment necessary or desirable for the proper administration of the Trust, including without limitation, modifying, amending or terminating this Declaration of Trust in the manner provided in Article 7, or with respect to the investment, disposition, or liquidation of any assets of the Trust, although the power to do such acts is not specifically set forth herein.

In construing the provisions of this Declaration of Trust, the presumption shall be in favor of a grant of power to the Trustee. Such powers of the Trustee may be exercised without order of or resort to any court or governmental authority or agency.

ARTICLE 5
VALUATION, DIVIDENDS, ACCOUNTING, RECORDS AND
REPORTS

5.01 **Valuation of Units.** As of each Valuation Date, the Trustee shall determine the value of the Units of each Class of each Fund established pursuant to this Declaration of Trust in accordance with the following procedures:

- (a)** The Trustee shall determine the value of the assets of a Fund in accordance with the rules set forth in Section 5.02 below. The Trustee shall reflect any changes in security positions no later than on the second (2nd) Business Day following the trade date.
- (b)** The Trustee shall subtract from the value determined under Section 5.01(a) above any expenses, charges, or other liabilities incurred or accrued by the Fund and not allocated to a particular Class of the Fund in the Description of Classes, as determined by the Trustee in good faith in accordance with procedures consistently followed and uniformly applied. Such charges shall be allocated to Units of all Classes, and to Participating Trusts within a Class, proportionately according to the aggregate number of Units of the Fund represented by each Class immediately prior to the allocation under this Section 5.01.
- (c)** The Trustee shall subtract from the value determined under Sections 5.01(a) and (b) above with respect to each Class any expenses, charges or other liabilities incurred or accrued by the Fund with respect to such Class in accordance with the Description of Classes. Such charges shall be allocated to Units of the applicable Class proportionately according to the aggregate number of Units of the Class immediately prior to the allocation under this Section 5.01.
- (d)** The Trustee shall divide the net value determined under Section 5.01(c) above by the total number of Units of such Class in existence as of the relevant Valuation Date.

Except where provided to the contrary in Section 5.03 below, the Trustee shall value the Units of each Class of each Fund after the close of business of each Business Day.

5.02 **Valuation of Assets.** The assets of each Fund shall be valued using the following valuation rules. The Trustee shall have the power and duty to determine the value of the assets of each Fund.

- (a) Unless otherwise determined by the Trustee, in determining the value of the assets of a Fund on a Valuation Date, the Trustee shall, except as provided in Section 5.02(b) below, value all securities and other assets of the Fund for which market quotations are readily available at their market value, and for all other securities and other assets of the Fund for which market quotations are not readily available at prices that, in the opinion of the Trustee, represent the fair value of such securities or assets. Certain or all of the securities and other investments shall be stated at the fair value based on valuations furnished by one or more pricing services or agents approved by the Trustee.
- (b) Short-term investments having a maturity of up to one hundred eighty (180) days may, if market quotations are not readily available and in the sole discretion of the Trustee, be valued at cost with accrued interest, discount earned or premium amortized included or reflected, as the case may be, in interest receivable.
- (c) Following the valuations of securities or other portfolio assets in terms of the currency in which the valuation is expressed (“Local Currency”), the Trustee shall convert the valuation of these assets to U.S. dollars on the basis of conversion of the Local Currencies into U.S. dollars at the prevailing currency exchange rates as determined by the Trustee on the applicable Valuation Date. The Trustee and any pricing agents or services approved by the Trustee may, in its or their sole discretion, consider and rely upon any regularly published reports of sales, bid, asked and closing prices, and over-the-counter quotations for the values of any listed or unlisted securities, assets, or currencies. The reasonable and equitable decision of the Trustee regarding whether a method of valuation fairly indicates fair value, and the selection of a pricing agent or service, shall be conclusive and binding upon all persons, Participating Trusts, and the Trust.

5.03

Suspension of Valuations, and Investment and Withdrawal Rights.

Notwithstanding anything to the contrary elsewhere in this Declaration of Trust, the Trustee, in its sole discretion, may suspend (a) the valuation of the assets or Units of any Fund, (b) the right to make investments in or additions to any Fund, or (c) the right to make withdrawals from any Fund. The Trustee may make such suspensions for the whole or any part of any period when: (i) any market or stock exchange on which a significant portion of the investments of such Fund are quoted is closed (other than for ordinary holidays), or dealings therein are restricted or suspended, or a closing of any

such market or stock exchange or a suspension or restriction of dealings is threatened; (ii) there exists any state of affairs which, in the opinion of the Trustee, constitutes an emergency as a result of which disposition of the assets of such Fund would not be reasonably practicable or would be seriously prejudicial to the Participating Trusts; (iii) there has been a breakdown in the means of communication normally employed in determining the price or value of any of the investments of such Fund or of current prices on any stock exchange on which a significant portion of the investments of such Fund are quoted, or for any reason the prices or values of any investments owned by such Fund cannot reasonably be promptly and accurately ascertained; (iv) the transfer of funds involved in the realization or acquisition of any investment cannot, in the opinion of the Trustee, be effected at normal rates of exchange; or (v) the normal settlement procedures for the purchase or sale of securities or other assets cannot be effected in the customary manner or in accordance with generally applicable time periods.

5.04 Accounting Rules and Fiscal Year. The Trustee shall account for the financial operations of the Trust on an accrual basis and for any Dedicated or Liquidating Account on a cash basis, in accordance with generally accepted accounting principles. The fiscal year of the Trust initially shall be the calendar year.

5.05 Expenses and Taxes. The Trustee may charge to a Fund (a) the cost of money borrowed, (b) costs, commissions, income taxes, withholding taxes, transfer and other taxes and expenses associated with the holding, purchase, and sale, and receipt of income from investments, (c) the reasonable expenses of an audit of the Fund and the proportionate expenses of an audit of the Trust, (d) reasonable attorneys' fees and litigation expenses, (e) the Trustee's compensation as provided in Section 6.03, subject to any special allocation to any Class or Classes as provided in Section 2.02, (f) the fees and expenses of any investment adviser or consultant engaged by the Trustee in accordance with Sections 4.06 and 4.07(t) pursuant to the terms of the applicable Investment Guidelines, and (g) any other expense, claim, or charge properly payable from a Fund under this Declaration of Trust and applicable law. The Trustee may also charge to a particular Class of a Fund any other expense, claim or charge that is specifically allocated to such Class under the Description of Classes. The Trustee shall allocate among the Funds (and Classes therein) established pursuant to this Declaration of Trust the charges and expenses described in this Section 5.05 and in Section 6.10 in such manner as it shall deem equitable, and such allocation shall be conclusive

and binding upon all persons, Participating Trusts, and the Trust. Notwithstanding the foregoing, the compensation to be received by the Trustee and the Investment Adviser for their services with respect to a Fund (and, if applicable, a particular Class of a Fund) may be paid by the individual Participating Trusts pursuant to an arrangement that the Trustee may make with each such Participating Trust independently of this Declaration of Trust.

5.06 Books, Records, Accounts, and Audits. The Trustee shall keep such books, records, and accounts as it deems necessary or advisable in its sole discretion to account properly for the operation and administration of the Trust or any Fund thereof. The Trustee shall preserve such records for the periods and in the manner required by applicable law, including records of the beneficial ownership of Units (at the Participating Trust, but not at the individual participant, level) and of all distributions of such Units. At least once during each 12-month period, the Trustee shall cause a suitable audit, conducted by a competent and independent accounting firm, to be made of the Trust and each Fund by auditors responsible only to the Trustee's Board of Directors, who by proper resolution shall formally appoint them for such audit. The reasonable compensation and expenses of the auditors for their services with respect to a Fund shall be charged to the Fund in accordance with Section 5.05 above.

5.07 Financial Reports. Within ninety (90) days after the close of each fiscal year of the Trust and after the termination of a Fund, the Trustee shall prepare a written financial report, based on the audit referred to in Section 5.06 above, containing such information as may be required by applicable law and regulations.

(a) A copy of the report shall be furnished, or notice given that a copy thereof is available and will be furnished, without charge upon request to each person to whom a regular periodic accounting would ordinarily be rendered with respect to each Participating Trust. In addition, a copy of the report shall be furnished on request to any person, and the Trustee may make a reasonable charge therefore.

(b) If no written objections to specific items in the financial report are filed with the Trustee within sixty (60) days after the report is sent by the Trustee, the report shall be deemed, to the fullest extent permitted under applicable law, to have been approved with the same effect as though judicially approved by a court of competent jurisdiction in a proceeding in which all persons interested were made parties and were properly represented before such court, and to the fullest extent

permitted by applicable law, the Trustee shall be released and discharged from liability and accountability with respect to the propriety of its acts and transactions disclosed in the report. Any such written objection shall apply only to the proportionate share of the Participating Trust on whose behalf the objection is filed and shall not affect the proportionate share of any other Participating Trust. The Trustee shall, in any event, have the right to a settlement of its accounts in a judicial proceeding if it so elects.

- (c) Except as otherwise required by this Declaration of Trust or applicable law, the Trustee shall have no obligation to render an accounting to any Participating Trust or beneficiary thereof.

5.08

Judicial Accounting. Except to the extent otherwise provided by applicable law, only the Trustee and any person entitled to a regular periodic accounting under the provisions of any Participating Trust may require the judicial settlement of the Trustee's account, or bring any other action against the Trustee with respect to a Fund or the Trustee's action as Trustee. In any such action or proceeding it shall be necessary to join as parties only the Trustee and such persons, and any judgment or decree which may be entered therein shall be conclusive.

**ARTICLE 6
CONCERNING THE TRUSTEE**

6.01 Merger, Consolidation of Trustee. Any corporation or association (a) into which the Trustee may be merged or with which it may be consolidated, (b) resulting from any merger, consolidation, or reorganization to which the Trustee may be a party, or (c) to which all or any part of the Trustee's fiduciary business which includes the Trust may be transferred shall become successor Trustee, and shall have all the rights, powers, and obligations of the Trustee under this Declaration of Trust, without the necessity of executing any instrument or performing any further act.

6.02 Limitation of Liability; Indemnification. Except as otherwise provided by applicable law, (a) the Trustee shall not be liable for any act or omission, or for any loss in connection therewith or resulting therefrom, except to the extent such loss shall have been caused by its own negligence, willful misconduct, lack of good faith, or breach of fiduciary duty, and (b) the Trustee shall be indemnified, protected and held harmless by the Trust with respect to any loss, liability, or claim in connection with or resulting from any act or omission made in good faith and without willful misconduct, negligence or breach of fiduciary duty in the administration of the Trust or the investment of Trust assets, including all reasonable fees and expenses of counsel and all other fees and expenses reasonably incurred in the its defense.

Whenever in this Declaration of Trust it is provided that the Trustee may exercise any power or the Trustee may do any act or thing at its discretion, the discretion of the Trustee shall be absolute and unconditional, and its determination to act or refrain from acting, or to exercise such power or refrain from so doing, shall be binding upon each Participating Trust and each corporation, firm or person having or claiming any interest therein. No mistake made in good faith and in the exercise of due care in connection with the administration of the Trust shall be deemed to be a violation of the Trustee's duties if, promptly after the discovery of the mistake, the Trustee takes whatever action may be practicable in the circumstances to remedy the mistake.

The Trustee shall not have any liability or responsibility for any act or omission on the part of any other fiduciary of any Participating Trust, except as may otherwise be required by law.

6.03 Trustee Compensation. The Trustee shall be entitled to receive reasonable compensation for its services in managing and administering the Trust. The

compensation, custodial fees and expenses of the Trustee shall be paid from the Trust, except to the extent that Plan Fiduciaries have arranged for payment from other sources. Notwithstanding the foregoing, the Trust shall pay or bear any fees charged to any pooled investment fund or other entity in which the Trust may have invested, to the extent permitted by applicable law. If the Trust purchases shares of mutual funds or other collective investment trusts with respect to which the Trustee or any Affiliate may receive additional compensation, the Trustee will comply as necessary with the terms of applicable law.

6.04 Trustee's Authority. No person dealing with the Trustee shall be under any obligation to inquire regarding the authority of the Trustee, the validity or propriety of any transaction, or the application of a payment made to the Trustee.

6.05 Reliance on Experts and Others. The Trustee shall be, in the performance of its duties and to the extent permitted by applicable law, fully indemnified, protected and held harmless by the Trust in relying in good faith upon the books of account or other records of the Trust, or upon reports made to the Trustee by (a) the custodians, depositories, pricing agents, or transfer agents of the Trust, or (b) any investment advisers, accountants, or attorneys of the Trustee. Officers, employees, and agents of the Trustee may take advice of counsel with respect to the meaning and operation of this Declaration of Trust, the Investment Guidelines, or a Description of Classes, and shall be under no liability for any act or omission in accordance with such advice or for failing to follow such advice, except as provided by law. The exercise by the Trustee of its powers and discretion hereunder and the interpretation in good faith by the Trustee of the meaning or effect of any provisions of this Declaration of Trust, the Investment Guidelines, or a Description of Classes shall be binding upon everyone interested.

6.06 Reliance on Communications. The Trustee shall be, to the extent permitted by applicable law, fully indemnified, protected and held harmless by the Trust in acting upon any instrument, certificate, or document believed by it to be genuine and to be signed or presented by the proper person or persons. The Trustee shall have no duty to make an investigation or inquiry as to any statement contained in any such writing, but may accept the same as conclusive evidence of the truth and accuracy of the statements therein contained.

6.07 Action by Trustee. The Trustee may exercise its rights and powers and perform its duties hereunder through such of its officers and employees as

shall be authorized to perform such functions by the Trustee's Board of Directors through general or specific resolutions. However, the Trustee solely shall be responsible for the performance of all rights and responsibilities conferred on it as Trustee hereunder, and no such officer or employee individually shall be deemed to have any fiduciary authority or responsibility with respect to the Fund, except as otherwise provided by applicable law.

6.08 Discretion of the Trustee. The discretion of the Trustee, when exercised in good faith and with reasonable care under the circumstances then prevailing, shall be final and conclusive and binding upon each Participating Trust and all persons interested therein.

6.09 Situs. The Trust shall be maintained at all times as a domestic trust in the United States of America, and the Trustee shall at all times be a "bank" within the meanings of Section 202(a)(2) of the Investment Advisers Act of 1940, as amended, and within the meaning of Section 2(a)(5) of the Investment Company Act of 1940, as amended.

6.10 Payment of Expenses and Taxes.

(a) To the extent permitted under applicable law, all direct expenses incurred by the Trustee in the performance of its duties hereunder, including (i) all brokerage commissions, transfer taxes and all other transaction costs incurred in connection with the operation of any Fund of the Trust, (ii) all expenses directly incurred in connection with the acquisition or holding of real or personal property, any interest therein or mortgage thereon, or any interest which may be payable on money borrowed by the Trustee for the purposes of a Fund of the Trust and any other investment expense directly related to the management of a Fund's investments or assets (including printing, wiring, mailing, agents' fees, filing fees and pricing services, and fees for legal and auditing services rendered to the Trustee), (iii) all taxes of any and all kinds whatsoever that may be levied or assessed under existing or future laws upon or in respect of the Funds or the income thereof which the Trustee in its sole discretion deems applicable, (iv) expenses of litigation, and (v) all other proper charges and disbursements (including fees and expenses of counsel) of the Trustee (including extraordinary expenses), unless otherwise paid, shall be withdrawn by the Trustee and paid from the Trust and shall be allocated among the Funds and Classes thereof in the proportions

in which they are properly so allocable in accordance with Section 5.05, and such allocation shall be deemed conclusive and binding.

- (b) In the event that a tax that is generally assessed against the Trust is not payable with respect to assets beneficially owned by one or more Participating Trusts, any reduction in the tax payable, or any refund of the tax previously paid, will be paid to the Participating Trust or trust involved in the appropriate amounts as determined by the Trustee. The Trustee shall not be required to institute any claim for refund of any such tax (other than tax reclaims of foreign tax, subject to the provision to the Trustee of information necessary to prepare such tax reclaims), but may do so if the Participating Trusts to benefit therefrom agree to bear the expense thereof.

6.11 Resignation. The Trustee shall serve as such until its resignation. The Trustee may resign upon one hundred eighty (180) days' written notice to the Plan Fiduciaries. In the event of a vacancy in the office of Trustee, a successor Trustee shall be appointed by a majority-in-interest of the Participating Trusts; provided, however, that any successor Trustee shall be a "bank" as defined in Section 202(a)(2) of the Investment Advisers Act of 1940, as amended, and section 2(a)(5) of the Investment Company Act of 1940, as amended. The successor Trustee shall provide its predecessor with its written acceptance of the trusteeship. In such an event, the Investment Adviser may suggest a successor Trustee, at which point the Trustee will request that the Participating Trusts promptly vote on the appointment of such successor Trustee.

6.12 Other Collective Trust Funds. The Trustee shall have the absolute right to establish other collective investment funds, including such funds that have investment objectives and policies similar to those of this Trust and any Fund.

ARTICLE 7
AMENDMENT AND TERMINATION

- 7.01** **Amendment.** The Trustee may, by action of its board of directors, amend or restate this Declaration of Trust at any time to conform to applicable law, including the applicable provisions of the Code, and written notice of any such amendment shall be furnished to Participating Trusts promptly after the execution of such amendment. The Trustee, by action of its board of directors, may amend the Description of Classes and the Investment Guidelines (either with respect to an existing Class or Fund or to create additional Classes or Funds) at any time. The Trustee may, by action of its board of directors, make other amendments to this Declaration of Trust after notifying all Participating Trusts in advance, and no such amendment shall take effect until thirty (30) days after notice thereof shall have been delivered to each Plan Fiduciary, unless all Participating Trusts expressly consent to an earlier effective date. Any amendment adopted by the Trustee shall be binding upon each Participating Trust and all persons interested therein.
- 7.02** **Termination.** The Trustee may, by action of its board of directors, terminate the Trust, any Fund or any Class thereof upon thirty (30) days' advance written notice to the Plan Fiduciaries of Participating Trusts invested in the Trust or the applicable Fund or Class; provided, however, that the Trust shall be terminated as promptly as practicable in the event the Internal Revenue Service takes any action to deny tax-exempt status to the Trust. In such event, the assets of the Trust or the assets represented by such liquidated Fund or Class thereof, as applicable, shall be administered and distributed as if it were a Liquidating Account. No withdrawal of any amounts from this Trust by any Participating Trust shall operate to terminate this Declaration of Trust, or entitle such Participating Trust to claim an accounting or to take any action or proceeding in any court of competent jurisdiction for a partition or winding up of the Trust created hereunder, or otherwise affect the rights, obligations and liabilities of any Participating Trust or the parties hereto.
- 7.03** **Notices.** The Trustee shall give written notice of any material amendment, or of the termination of a Fund or of the Trust, to each person to whom a regular periodic accounting would ordinarily be rendered with respect to each affected Participating Trust. Any such notice or other notice or communication required or permitted hereunder shall be deemed to have been given at the time the Trustee delivers the notice personally or mails the

notice first class, postage prepaid, registered, or certified to the address of the appropriate recipient as shown on the Trustee's records.

ARTICLE 8
LIQUIDATING ACCOUNTS AND DEDICATED ACCOUNTS

8.01 Establishment of Liquidating Accounts and Dedicated Accounts.

- (a)** The Trustee may in its sole discretion, from time to time, transfer any illiquid, impaired, or defaulted investment of any Fund to a Liquidating Account. The primary purpose of each Liquidating Account shall be to facilitate the liquidation and pricing of the assets contained therein for the benefit of the Participating Trusts holding a beneficial interest therein. The period during which the Trustee may continue to hold any such assets shall rest in its sole discretion.
- (b)** The Trustee may in its sole discretion, from time to time, establish one or more Dedicated Accounts related to a Fund to hold cash, securities, or other assets received from, and other investments made for the benefit of, one or more specific Participating Trusts, pending the investment of such deposits in securities or other investments which the Trustee considers suitable for such Fund, or in connection with the distribution or withdrawal of cash, securities or other investments held for the benefit of the Participating Trusts holding a beneficial interest in such Dedicated Account, or for such other purposes as the Trustee shall deem appropriate.
- (c)** Each Liquidating Account or Dedicated Account shall be maintained and administered solely for the ratable benefit of the Participating Trusts whose cash, securities or other assets has been transferred thereto or deposited therein, and each Participating Trust whose cash, securities or other assets have been transferred thereto or deposited therein shall have a beneficial interest therein equal to the portion of such account represented by such transfer or deposit.

8.02 Additional Powers and Duties of Trustee. The Trustee shall have, in addition to all of the powers granted to it by law and by the terms of this Declaration of Trust, each and every discretionary power of management of the assets contained in a Liquidating Account or a Dedicated Account (and of all proceeds of such assets) which the Trustee shall deem necessary or convenient to accomplish the purposes of such Liquidating Account or Dedicated Account. At the time of the establishment of a Liquidating Account or a Dedicated Account, and upon each deposit of additional money to such Liquidating Account or Dedicated Account, the Trustee shall prepare a schedule showing the interest of each Participating Trust therein. When the assets of such Liquidating Account or Dedicated Account shall have been

completely distributed, such schedule shall be held thereafter as part of the permanent records of the Fund to which the Liquidating Account or Dedicated Account relates. The Trustee shall include in any report of audit for a Fund a report for each related Liquidating Account and Dedicated Account established hereunder. For purposes hereof, the value of assets transferred to or held in a Liquidating Account or Dedicated Account (and the beneficial interest of any Participating Trust therein) may be based upon value as provided in Section 5.02, or amortized cost, or book value, as determined by the Trustee in its sole discretion.

8.03 Borrowings. If in the Trustee's reasonable opinion such action is advisable for the protection of any asset held therein, the Trustee may borrow from others (to be secured by the assets held in a Liquidating Account) and to make and renew such note or notes therefore as the Trustee may determine.

8.04 Distributions. The Trustee may make distributions from a Liquidating Account or Dedicated Account in cash or in-kind or partly in cash and partly in-kind, and the time and manner of making all such distributions shall rest in the sole discretion of the Trustee; provided that all such distributions as of any one time shall be made ratably and on the same basis among the Participating Trusts which hold a beneficial interest in such Liquidating Account or Dedicated Account. Income, gains, and losses attributable to a Liquidating Account or Dedicated Account shall be allocated among the Participating Trusts that hold a beneficial interest in such Liquidating Account or Dedicated Account in proportion to such respective beneficial interests.

Notwithstanding anything herein to the contrary, with respect to a Dedicated Account established to pay the Participating Trusts for the withdrawal of Units from the Fund pursuant to Section 3.05, the Trustee shall have satisfied its obligation to the Participating Trusts to pay the amount due upon redemption, so long as (a) the Trustee has transferred to the Dedicated Account, as soon as reasonably practicable after the applicable Valuation Date which has established the value of the Units of the Fund so redeemed, securities and other assets with a value (determined in accordance with Section 5.02) as of the applicable Valuation Date before consideration of applicable transaction expenses (as described in Section 3.06) equal to the value of the Units so redeemed, and (b) the Trustee pays out to the Participating Trusts the net proceeds realized upon the sale, disposition, or liquidation of the securities and assets in such Dedicated Account as provided in this Section 8.04 within a reasonable time after the transfer of such securities and other assets to such Dedicated Account.

8.05 **Effect of Establishing Liquidating Accounts and Dedicated Accounts.** After an asset of a Fund has been set apart in a Liquidating Account or when assets of one or more Participating Trusts are held in a Dedicated Account, such assets shall be subject to the provisions of this Article 8, but such assets shall also be subject to all other provisions of this Declaration of Trust insofar as the same shall be applicable thereto and not inconsistent with the provisions of this Article 8. For the purpose of investments in and additions to and withdrawals from a Fund, and for purposes of determining the value of the Units of a Fund and the income, gains, or losses of a Fund that are allocated among Participating Trusts pursuant to the other provisions of this Declaration of Trust, the value, income, gains, or losses of any assets held in any Liquidating Account or Dedicated Account shall be excluded. As of any subsequent Valuation Date selected by the Trustee in its sole discretion, any assets held in a Dedicated Account may be valued in accordance with Section 5.02 and transferred by the Trustee to the appropriate Fund, in which event the Participating Trusts which hold a beneficial interest in such Dedicated Account shall be allocated in proportion to their respective beneficial interests such number of Units of such Fund as would be issued if assets of the Dedicated Account were treated as an investment in the Fund pursuant to Section 3.04.

8.06 **Fees and Expenses.** Each Liquidating Account and Dedicated Account shall be charged with the expenses attributable to the administration and management of such account (including but not limited to brokerage fees, settlement charges, stamp taxes, duty, stock listing and related expenses, attorneys' fees and auditing fees). Such Liquidating Accounts and Dedicated Accounts shall remain as part of the assets of the applicable Fund for purposes of determining the fee payable to the Trustee in accordance with its fee schedule as may apply from time to time.

ARTICLE 9

NONDIVERSION; PROHIBITED TRANSACTIONS; BONDING

9.01

Diversion, Assignment Prohibited. The following provisions shall apply, notwithstanding any provision of this Declaration of Trust or any amendment hereto to the contrary.

- (a) This Declaration of Trust (and any amendment hereto) is adopted as part of the Participating Trust.
- (b) Only Eligible Trusts may be admitted as Participating Trusts
- (c) No part of the corpus or income of the Trust which equitably belongs to a Participating Trust, other than such part as is required to pay taxes and the expenses of the Trust as provided in this Declaration of Trust, shall be used or diverted to any purposes other than for the exclusive benefit (as that term is used in Section 401(a) of the Code) of the Participating Trust, or its participants or their beneficiaries who are entitled to benefits under such Participating Trust.
- (d) Each Participating Trust shall be exempt from Federal income taxation.
- (e) A separate account will be maintained to reflect the interest of each Participating Trust, including separate accounting for contributions to the Trust by such Participating Trust, disbursements made from each such Participating Trust's account and the investment experience of the Trust (or Fund) allocable to that account.
- (f) No part of the Trust which equitably belongs to a Participating Trust shall be subject to any legal process, levy of execution, receivership, or attachment or garnishment proceedings for payment of any claim against any such Participating Trust or any employee or beneficiary thereof, and such interests shall not pass to any trustee in bankruptcy or be reached or applied by any legal process for the payment of any obligation of any Participating Trust.
- (g) Each Participating Trust shall expressly provide in its governing document that it is impossible, prior to the satisfaction of all liabilities with respect to participants and their beneficiaries, for any part of the corpus or income of the Participating Trust to be used for, or diverted to, purposes other than for the exclusive benefit (as that term is used in Section 401(a) of the Code) of the Participating Trust, or its

participants or their beneficiaries who are entitled to benefits under such Participating Trust.

(h) No Participating Trust may assign all or any portion of its equity or interest in the Trust

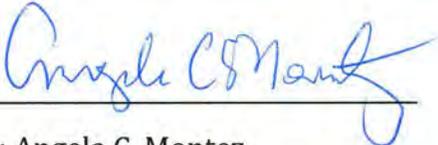
9.02 **Amendments to this Article.** The provisions of this Article 9 may only be amended on such terms as will permit the Trust to continue as a tax-exempt trust under Section 501(a) of the Code.

9.03 **9.04 Bonding.** The Trustee will comply with any applicable bonding requirements.

ARTICLE 10
GENERAL PROVISIONS

- 10.01** **Governing Law.** This Declaration of Trust shall be construed, and the Fund shall be administered, in accordance with the internal laws of the State of New Hampshire, except to the extent that such laws have been preempted by applicable Federal law.
- 10.02** **Inspection.** A copy of this Declaration of Trust shall be kept on file at the principal office of the Trustee, available for inspection during normal business hours. A copy of this Declaration of Trust shall be sent upon request to each person to whom a regular periodic accounting would be rendered with respect to each Participating Trust, and shall be furnished to any other person upon request for a reasonable charge.
- 10.03** **Titles.** The titles and headings in this Declaration of Trust are for convenience and reference only, and shall not limit or affect in any manner any provision contained therein.
- 10.04** **Successors and Assigns.** This Declaration of Trust shall be binding upon the respective successors and assigns of the Trustee and the Participating Trusts.
- 10.05** **Invalid Provisions.** If any paragraph, Section, sentence, clause or phrase contained in this Declaration of Trust is illegal, null, or void, or against public policy, the remaining provisions thereof shall not be affected.

IN WITNESS WHEREOF, VantageTrust Company, LLC has caused this Declaration of Trust to be executed and delivered on the date first written above.

By: 
Name: Angela C. Montez
Title: Assistant Secretary
Date: January 30, 2015



VANTAGECARE RETIREMENT HEALTH SAVINGS PLAN VANTAGETRUST II INVESTMENT OPTIONS

The table below shows the VantageTrust II Multiple Collective Investment Funds Trust (“VantageTrust II”) investment options that may be available through your VantageCare Retirement Health Savings Plan. VantageTrust II is a group trust established and maintained by VantageTrust Company, LLC, a wholly owned subsidiary of ICMA-RC. VantageTrust II provides for the commingling of assets of certain benefit trusts and benefit plans as defined in its Declaration of Trust and Participation Agreement, and is only available for investment by such eligible benefit trusts and benefit plans.

The VantageTrust II Funds are not mutual funds. Fund units are not deposits of VantageTrust Company and are not insured by the Federal Deposit Insurance Corporation or any other agency. The VantageTrust II Funds are securities that have not been registered under the Securities Act of 1933 and are exempt from investment company registration under the Investment Company Act of 1940.

Each VantageTrust II Fund, except for the VT II Cash Management Fund, invests substantially all of its assets in a series of The Vantagepoint Funds, a registered mutual fund that is sponsored by ICMA-RC and managed by its affiliate. Additional information about The Vantagepoint Funds can be found in the prospectus that is available online at www.icmarc.org/investments or by calling 800-669-7400.

Before investing in a VantageTrust II Fund you should carefully consider your investment goals, tolerance for risk, investment time horizon, and personal circumstances. There is no guarantee that a VantageTrust II Fund will meet its investment objective and you can lose money.

To ensure that you have the most current fund information, please log on to Account Access at www.icmarc.org for a complete list of investment options available in your plan or call ICMA-RC Investor Services at 800-669-7400.

For additional information regarding the VantageTrust II Funds, including a description of the principal risks, please consult the VantageTrust II Funds Disclosure Memorandum, which is available when you log in at www.icmarc.org, or upon request by calling Investor Services at 800-669-7400.

CASH MANAGEMENT FUND

VT II Cash Management Fund

FUND CODE 8856

INVESTMENT OBJECTIVE	To seek as high a level of current income as is consistent with the preservation of capital and the maintenance of liquidity.
PRINCIPAL INVESTMENT STRATEGIES	The Fund invests substantially all of its assets in a single third-party fund. The underlying fund normally invests in a diversified portfolio of high quality, dollar-denominated short-term debt securities, including: securities issued or guaranteed as to principal and interest by the U.S. government or its agencies or instrumentalities; certificates of deposit, time deposits, bankers' acceptances, and other short-term securities issued by domestic or foreign banks or their subsidiaries or branches; repurchase agreements, including tri-party repurchase agreements; asset-backed securities; and commercial paper and other short-term corporate obligations, including those with floating or variable rates of interest. Normally, the underlying fund invests at least 25% of its net assets in bank obligations.
PRINCIPAL RISKS	Interest Rate Risk, Credit Risk, Liquidity Risk, Banking Industry Risk, Foreign Securities Risk, U.S. Government Agency Risk, U.S. Treasury Securities Risk, Repurchase Agreement Counterparty Risk, Municipal Securities Risk
EXPENSE RATIO	0.93%

FIXED INCOME FUNDS

VT II Vantagepoint Low Duration Bond Fund

FUND CODE 8624

INVESTMENT OBJECTIVE	To seek total return that is consistent with preservation of capital.
PRINCIPAL INVESTMENT STRATEGIES	The underlying fund invests, under normal circumstances, at least 80% of its net assets in bonds and other fixed income securities of varying maturities, and normally invests at least 65% of its net assets in bonds and other fixed income securities with more than one year to maturity. The underlying fund seeks to maintain a portfolio effective duration of no greater than three years. It may invest in high yield securities (“junk bonds”) and floating rate loans, as well as foreign securities and derivative instruments.
PRINCIPAL RISKS	Credit Risk, Interest Rate Risk, Asset-Backed Securities Risk, Mortgage-Backed Securities Risk, Prepayment and Extension Risk, Municipal Securities Risk, Call Risk, U.S. Government Agency Securities Risk, Foreign Securities Risk, Foreign Currency Risk, Floating Rate Loans Risk, High Yield Securities Risk, Derivative Instruments Risk, Multi-Manager Risk, Large Investor Risk
EXPENSE RATIO	0.94%

VT II Vantagepoint Inflation Focused Fund

FUND CODE 8675

INVESTMENT OBJECTIVE	To offer inflation protection and income.
PRINCIPAL INVESTMENT STRATEGIES	The underlying fund invests, under normal circumstances, in a combination of (1) inflation-indexed fixed income securities or instruments, (2) other fixed income securities or instruments, and (3) inflation-linked derivatives. To the extent that the underlying fund's subadvisers invest in fixed income securities that are not inflation-indexed, they may use inflation-linked derivatives in connection with such investments to seek to achieve the investment objective. The underlying fund generally invests in investment grade fixed income securities.
PRINCIPAL RISKS	Inflation-Adjusted Securities Risk, Interest Rate Risk, Credit Risk, Foreign Securities Risk, Foreign Currency Risk, U.S. Government Agency Securities Risk, Derivative Instruments Risk, Call Risk, Mortgage-Backed Securities Risk, Asset-Backed Securities Risk, Municipal Securities Risk, Multi-Manager Risk, Large Investor Risk
EXPENSE RATIO	0.97%

U.S. STOCK FUNDS**VT II Vantagepoint Equity Income Fund**

FUND CODE 8625

INVESTMENT OBJECTIVE	To offer long-term capital growth with consistency derived from dividend yield.
PRINCIPAL INVESTMENT STRATEGIES	The underlying fund invests, under normal circumstances, at least 80% of its net assets in equity securities. The underlying fund seeks to invest primarily in the common stocks of U.S. companies that its subadvisers believe will pay dividends. As a result of its income focus, certain sectors or industries may be emphasized. The underlying fund may exhibit greater sensitivity to certain economic factors (e.g., changing interest rates) than will the general stock market. It may invest in companies of all sizes, but generally focuses on larger capitalization companies. A portion of the underlying fund invests in (or obtains exposure to) stocks included in a custom version of the Russell 1000® Value Index, following an indexed or passively managed approach to investing.
PRINCIPAL RISKS	Stock Market Risk, Preferred Stock Risk, Style Risk, Equity Income/Interest Rate Risk, Small-Cap Securities Risk, Mid-Cap Securities Risk, Indexing Risk, Foreign Securities Risk, Foreign Currency Risk, Convertible Securities Risk, Multi-Manager Risk, Large Investor Risk
EXPENSE RATIO	1.09%

VT II Vantagepoint Growth & Income Fund

FUND CODE 8647

INVESTMENT OBJECTIVE	To offer long-term capital growth and current income.
PRINCIPAL INVESTMENT STRATEGIES	The underlying fund invests, under normal circumstances, primarily in U.S. common stocks that its subadvisers believe offer the potential for capital appreciation or that may provide current income by paying dividends. Strategies used by its subadvisers include 1) focusing on large-capitalization U.S. companies whose common stocks are believed to offer potential for price appreciation because of undervaluation, earnings growth, or both; and 2) emphasizing U.S. stocks that may pay dividends.
PRINCIPAL RISKS	Stock Market Risk, Preferred Stock Risk, Mid-Cap Securities Risk, Foreign Securities Risk, Equity Income/Interest Rate Risk, Foreign Currency Risk, Convertible Securities Risk, Multi-Manager Risk, Large Investor Risk
EXPENSE RATIO	1.14%

VT II Vantagepoint Growth Fund

FUND CODE 8620

INVESTMENT OBJECTIVE	To offer long-term capital growth.
PRINCIPAL INVESTMENT STRATEGIES	The underlying fund invests, under normal circumstances, primarily in U.S. common stocks that are considered by its subadvisers to have above-average potential for growth. Its subadvisers emphasize stocks of well established medium- and large-capitalization firms. The underlying fund also may invest in foreign equity securities, small-capitalization equity securities, U.S. preferred securities, and U.S. convertible securities.
PRINCIPAL RISKS	Stock Market Risk, Preferred Stock Risk, Foreign Securities Risk, Foreign Currency Risk, Style Risk, Small-Cap Securities Risk, Mid-Cap Securities Risk, Convertible Securities Risk, Multi-Manager Risk, Large Investor Risk
EXPENSE RATIO	1.13%

VT II Vantagepoint Select Value Fund

FUND CODE 8622

INVESTMENT OBJECTIVE	To offer long-term growth from dividend income and capital appreciation.
PRINCIPAL INVESTMENT STRATEGIES	The underlying fund invests, under normal circumstances, primarily in common stocks of mid-capitalization U.S. companies that its subadvisers believe present attractive investment opportunities at favorable prices in relation to the intrinsic worth of the issuer and may offer the possibility for growth through the reinvestment of dividends. The underlying fund generally seeks to invest in common stocks of companies with market capitalizations that fall within the range of companies in the Russell Midcap® Value Index. It also may invest in foreign equity securities, U.S. preferred stock, U.S. convertible securities, and small-capitalization equity securities and may invest up to 10% of its net assets in REITs.
PRINCIPAL RISKS	Stock Market Risk, Mid-Cap Securities Risk, Small-Cap Securities Risk, Equity Income/Interest Rate Risk, Style Risk, REITs Risk, Foreign Securities Risk, Foreign Currency Risk, Preferred Stock Risk, Convertible Securities Risk, Multi-Manager Risk, Large Investor Risk
EXPENSE RATIO	1.29%

VT II Vantagepoint Aggressive Opportunities Fund

FUND CODE 8626

INVESTMENT OBJECTIVE	To offer high long-term capital appreciation.
PRINCIPAL INVESTMENT STRATEGIES	The underlying fund invests, under normal circumstances, primarily in common stocks of small- to mid-capitalization U.S. and foreign companies. One or more of its subadvisers employing an actively managed strategy seeks to select common stocks it believes offer the opportunity for high capital appreciation. In addition, a portion of the underlying fund invests in (or obtains exposure to) stocks included in a custom version of the Russell Midcap® Growth Index, following an indexed or “passively managed” approach to investing. The range of stocks in which the underlying fund generally invests is expected to be that of the Russell Midcap® Index.
PRINCIPAL RISKS	Stock Market Risk, Mid-Cap Securities Risk, Style Risk, Small-Cap Securities Risk, Indexing Risk, Foreign Securities Risk, Foreign Currency Risk, Derivative Instruments Risk, Preferred Stock Risk, Convertible Securities Risk, Multi-Manager Risk, Large Investor Risk
EXPENSE RATIO	1.15%

VT II Vantagepoint Discovery Fund

FUND CODE 8623

INVESTMENT OBJECTIVE	To offer long-term capital growth.
PRINCIPAL INVESTMENT STRATEGIES	The underlying fund invests, under normal circumstances, primarily in a combination of common stocks of U.S. small-capitalization companies, Russell 2000® Index futures contracts, and U.S. and foreign fixed income securities. Its subadvisers select stocks that they believe have above average potential for growth and that generally have market capitalizations that fall within the range of companies in the Russell 2000® Index. The underlying fund's U.S. and foreign fixed income securities (1) are held, in part, as collateral in conjunction with its use of futures contracts; (2) may include government and agency securities, corporate bonds, mortgage-backed securities, asset-backed securities, and municipal securities; and (3) at all times have a portfolio effective duration no greater than three years. In addition to using Russell 2000® Index futures contracts, the underlying fund's subadvisers also may use other derivative instruments. The underlying fund also may invest in foreign equity securities (including those of issuers located in emerging market countries), U.S. preferred stock, and U.S. and foreign convertible stock.
PRINCIPAL RISKS	Stock Market Risk, Small-Cap Securities Risk, Preferred Stock Risk, Foreign Securities Risk, Foreign Currency Risk, Convertible Securities Risk, High Yield Securities Risk, Municipal Securities Risk, Derivative Instruments Risk, Interest Rate Risk, Credit Risk, Call Risk, Mortgage-Backed Securities Risk, Asset-Backed Securities Risk, U.S. Government Agency Securities Risk, Multi-Manager Risk, Large Investor Risk
EXPENSE RATIO	1.19%

INTERNATIONAL FUND**VT II Vantagepoint International Fund**

FUND CODE 8645

INVESTMENT OBJECTIVE	To offer long-term capital growth and diversification by country.
PRINCIPAL INVESTMENT STRATEGIES	The underlying fund invests primarily in the common stocks of companies headquartered outside the United States. Under normal circumstances, the underlying fund invests at least 80% of its net assets in foreign equity securities (common and preferred stock), including securities of issuers located in emerging market countries. It also may invest in U.S. or foreign fixed income securities of any maturity, U.S. equity securities, and U.S. or foreign convertible securities.
PRINCIPAL RISKS	Stock Market Risk, Foreign Securities Risk, Emerging Markets Securities Risk, Foreign Currency Risk, Preferred Stock Risk, Small-Cap Securities Risk, Mid-Cap Securities Risk, Derivative Instruments Risk, Credit Risk, Interest Rate Risk, Convertible Securities Risk, Multi-Manager Risk, Large Investor Risk
EXPENSE RATIO	1.29%

INDEX FUNDS**VT II Vantagepoint Core Bond Index Fund**

FUND CODE 8630

INVESTMENT OBJECTIVE	To offer current income by approximating the performance of the Barclays U.S. Aggregate Bond Index.
PRINCIPAL INVESTMENT STRATEGIES	The underlying fund invests, under normal circumstances, at least 80% of its net assets in bonds and other fixed income securities included in the Barclays U.S. Aggregate Bond Index, selected and weighted to seek to result in investment characteristics comparable to those of that index and performance that correlates with the performance of that index. It considers To-Be-Announced ("TBA") transactions that provide substantially similar exposure to securities in the Barclays U.S. Aggregate Bond Index to be investments included within the index. The underlying fund follows an indexed or "passively managed" approach to investing. A sampling technique is employed to approximate index characteristics, using fewer securities than are contained in the index.
PRINCIPAL RISKS	Interest Rate Risk, U.S. Government Agency Securities Risk, Mortgage-Backed Securities Risk, TBA Risk, Asset-Backed Securities Risk, Prepayment and Extension Risk, Credit Risk, Indexing Risk, Large Investor Risk
EXPENSE RATIO	0.72%

VT II Vantagepoint 500 Stock Index Fund

FUND CODE 8637

INVESTMENT OBJECTIVE	To offer long-term capital growth by approximating the performance of the S&P 500 Index.
PRINCIPAL INVESTMENT STRATEGIES	The underlying fund invests, under normal circumstances, at least 90% of its net assets in stocks included in the S&P 500 Index, weighted to seek to replicate the investment characteristics of the S&P 500 Index and performance that correlates with that of the index. The underlying fund follows an indexed or "passively managed" approach to investing.
PRINCIPAL RISKS	Stock Market Risk, Indexing Risk, Large Investor Risk
EXPENSE RATIO	0.72%

VT II Vantagepoint Broad Market Index Fund

FUND CODE 8650

INVESTMENT OBJECTIVE	To offer long-term capital growth by approximating the performance of the Russell 3000® Index.
PRINCIPAL INVESTMENT STRATEGIES	The underlying mutual fund invests, under normal circumstances, at least 90% of its net assets in equity issuers included in the Russell 3000® Index, selected and weighted to seek to result in investment characteristics comparable to those of that index and performance that correlates with the performance of that index. The underlying fund follows an indexed or "passively managed" approach to investing.
PRINCIPAL RISKS	Stock Market Risk, Small-Cap Securities Risk, Mid-Cap Securities Risk, Indexing Risk, Large Investor Risk
EXPENSE RATIO	0.72%

VT II Vantagepoint Mid/Small Company Index Fund

FUND CODE 8638

INVESTMENT OBJECTIVE	To offer long-term capital growth by approximating the performance of the Russell 2500™ Index.
PRINCIPAL INVESTMENT STRATEGIES	The underlying fund invests, under normal circumstances, at least 90% of its net assets in equity issuers included in the Russell 2500™ Index, selected and weighted to seek to replicate the investment characteristics of the Russell 2500™ Index and performance that correlates with the performance of that index. The underlying fund follows an indexed or "passively managed" approach to investing.
PRINCIPAL RISKS	Stock Market Risk, Small-Cap Securities Risk, Mid-Cap Securities Risk, REITs Risk, Indexing Risk, Large Investor Risk
EXPENSE RATIO	0.72%

VT II Vantagepoint Overseas Equity Index Fund

FUND CODE 8636

INVESTMENT OBJECTIVE	To offer long-term capital growth and diversification by approximating the performance of the MSCI Europe Australasia Far East (EAFE) Index (Net).
PRINCIPAL INVESTMENT STRATEGIES	The underlying fund invests, under normal circumstances, at least 90% of its net assets in a portfolio of the equity securities (common and preferred stock) in the MSCI Europe Australasia Far East (EAFE) Index (Net), weighted to seek to replicate the investment characteristics of that index and performance that correlates with that of the index. The underlying fund follows an indexed or "passively managed" approach to investing.
PRINCIPAL RISKS	Stock Market Risk, Foreign Securities Risk, Mid-Cap Securities Risk, Foreign Currency Risk, Indexing Risk, Large Investor Risk
EXPENSE RATIO	0.81%

VT II Vantagepoint Milestone Funds and VT II Vantagepoint Model Portfolio Funds

The VT II Vantagepoint Milestone Funds are target date funds and the VT II Vantagepoint Model Portfolio Funds are target risk funds. Each invests substantially all of its assets in the single Vantagepoint Milestone Fund (“Milestone Fund”) or Vantagepoint Model Portfolio Fund (“Model Portfolio Fund”) that shares its investment objective. In turn, each underlying Milestone Fund or Model Portfolio Fund is a “fund of funds” that invests substantially all of its assets in other Vantagepoint Funds and one or more third party ETFs. By investing in this way, each Milestone Fund or Model Portfolio Fund is exposed to the risks as well as the potential rewards of its underlying funds and of the portfolio holdings and strategies of those funds.

TARGET RISK FUNDS	
VT II Vantagepoint Model Portfolio Conservative Growth Fund	
FUND CODE 8852	
INVESTMENT OBJECTIVE	To offer reasonable current income and capital preservation, with modest potential for capital growth.
PRINCIPAL INVESTMENT STRATEGIES	The underlying fund invests in a combination of other Vantagepoint Funds and one or more third party exchange-traded funds (“ETFs”) to seek to obtain exposure to approximately 61% fixed income investments, 30% equity investments, and 9% multi-strategy investments. Multi-strategy investments generally include asset classes and strategies that seek to provide additional diversification from traditional stocks and bonds. Examples may include convertible securities, derivative-based strategies, and real estate investment trusts (“REITs”).
PRINCIPAL RISKS	Asset Allocation Risk, Investing in Other Investment Companies, ETF Risks, Interest Rate Risk, Credit Risk, Convertible Securities Risk, High Yield Securities Risk, Mortgage- Backed Securities Risk, Asset-Backed Securities Risk, Prepayment and Extension Risk, U.S. Government Agency Securities Risk, Stock Market Risk, Foreign Securities Risk, Emerging Markets Securities Risk, Small-Cap Securities Risk, Mid-Cap Securities Risk, Derivative Instruments Risk, Indexing Risk, Large Investor Risk
EXPENSE RATIO	1.15%
VT II Vantagepoint Model Portfolio Traditional Growth Fund	
FUND CODE 8853	
INVESTMENT OBJECTIVE	To offer moderate capital growth and reasonable current income.
PRINCIPAL INVESTMENT STRATEGIES	The underlying fund invests in a combination of other Vantagepoint Funds and one or more third party exchange-traded funds (“ETFs”) to seek to obtain exposure to approximately 34% fixed income investments, 54% equity investments, and 12% multi-strategy investments. Multi-strategy investments generally include asset classes and strategies that seek to provide additional diversification from traditional stocks and bonds. Examples may include convertible securities, derivative-based strategies, and real estate investment trusts (“REITs”).
PRINCIPAL RISKS	Asset Allocation Risk, Investing in Other Investment Companies, ETF Risks, Stock Market Risk, Foreign Securities Risk, Emerging Markets Securities Risk, Small-Cap Securities Risk, Mid-Cap Securities Risk, Equity Income/Interest Rate Risk, Convertible Securities Risk, High Yield Securities Risk, Interest Rate Risk, Credit Risk, Mortgage-Backed Securities Risk, Asset-Backed Securities Risk, Prepayment and Extension Risk, U.S. Government Agency Securities Risk, Derivative Instruments Risk, Indexing Risk, Large Investor Risk
EXPENSE RATIO	1.17%
VT II Vantagepoint Model Portfolio Long-Term Growth Fund	
FUND CODE 8854	
INVESTMENT OBJECTIVE	To offer high long-term capital growth and modest current income.
PRINCIPAL INVESTMENT STRATEGIES	The underlying fund invests in a combination of other Vantagepoint Funds and one or more third party exchange-traded funds (“ETFs”) to seek to obtain exposure to approximately 15% fixed income investments, 72% equity investments, and 13% multi-strategy investments. Multi-strategy investments generally include asset classes and strategies that seek to provide additional diversification from traditional stocks and bonds. Examples may include convertible securities, derivative-based strategies, and real estate investment trusts (“REITs”).
PRINCIPAL RISKS	Asset Allocation Risk, Investing in Other Investment Companies, ETF Risks, Stock Market Risk, Foreign Securities Risk, Emerging Markets Securities Risk, Small-Cap Securities Risk, Mid-Cap Securities Risk, Equity Income/Interest Rate Risk, Convertible Securities Risk, High Yield Securities Risk, Interest Rate Risk, Credit Risk, Mortgage-Backed Securities Risk, Asset-Backed Securities Risk, Prepayment and Extension Risk, Derivative Instruments Risk, Indexing Risk, Large Investor Risk
EXPENSE RATIO	1.22%

VT II Vantagepoint Model Portfolio Global Equity Growth Fund

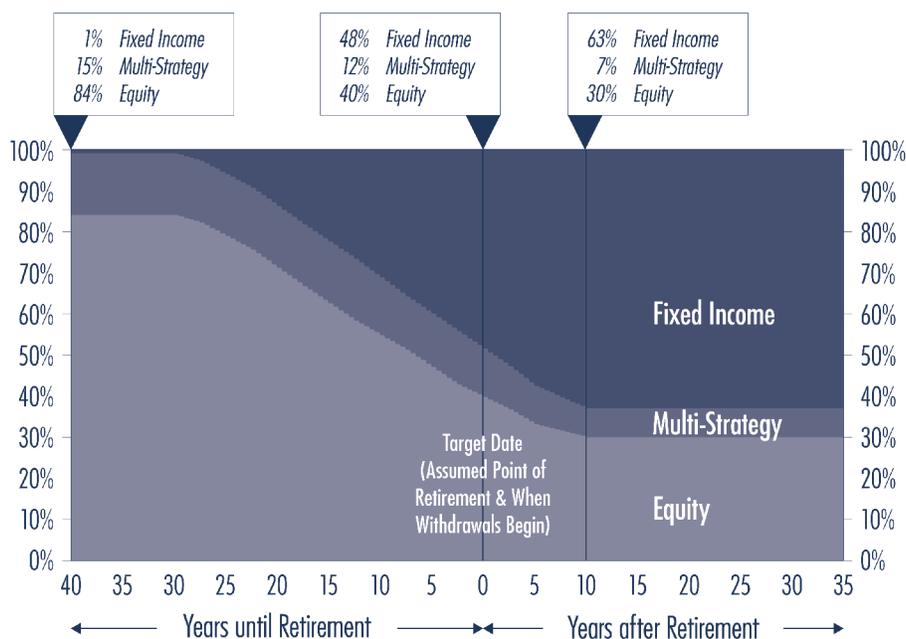
FUND CODE 8855

INVESTMENT OBJECTIVE	To offer high long-term capital growth.
PRINCIPAL INVESTMENT STRATEGIES	The underlying fund invests, under normal circumstances, 100% of its net assets in equity funds by investing in a combination of other Vantagepoint Funds and one or more third party exchange-traded funds (“ETFs”) whose assets are invested, under normal circumstances, at least 80% in equity securities (common and preferred stock) or instruments that provide equity exposure. The underlying fund expects to have significant exposure to non-U.S. securities.
PRINCIPAL RISKS	Asset Allocation Risk, Investing in Other Investment Companies, ETF Risks, Stock Market Risk, Foreign Securities Risk, Emerging Markets Securities Risk, Small-Cap Securities Risk, Mid-Cap Securities Risk, Preferred Stock Risk, Equity Income/Interest Rate Risk, Indexing Risk, Large Investor Risk
EXPENSE RATIO	1.25%

TARGET DATE FUNDS

The targeted allocation of each Milestone Fund’s assets among underlying funds and the asset classes they represent is determined by Vantagepoint Investment Advisers, LLC (“VIA”), the investment adviser to The Vantagepoint Funds. Over time, VIA will adjust the asset allocation of each “dated” Milestone Fund to seek to become more conservative as the year designated in its name approaches and for approximately 10 years beyond the designated year. This is intended to reduce investment risk as investors move toward and into retirement. However, there is no guarantee that this goal will be achieved, and investors may lose money investing in the Milestone Funds. Ten years after the date in the Milestone Fund’s name, it will reach its “landing point” and its target asset allocation becomes constant. The sequence of asset allocation changes that the dated Milestone Funds are expected to follow is known as the “glide path” and is illustrated in the chart below.

All dated Milestone Funds expect to follow the same glide path, regardless of target year.



VT II Vantagepoint Milestone Retirement Income Fund

FUND CODE 8850

INVESTMENT OBJECTIVE	To offer current income and opportunities for capital growth that have limited risk.
PRINCIPAL INVESTMENT STRATEGIES	The underlying fund invests in a combination of other Vantagepoint Funds and one or more third party exchange-traded funds ("ETFs") to seek to obtain exposure to approximately 63% fixed income funds, 30% equity investments, and 7% multi-strategy fund. Multi-strategy investments generally include asset classes and strategies that seek to provide additional diversification from traditional stocks and bonds. Examples may include convertible securities, derivative-based strategies, and real estate investment trusts ("REITs").
PRINCIPAL RISKS	Asset Allocation Risk, Investing in Other Investment Companies, ETF Risks, Interest Rate Risk, Credit Risk, Convertible Securities Risk, High Yield Securities Risk, Mortgage-Backed Securities Risk, Asset-Backed Securities Risk, Prepayment and Extension Risk, U.S. Government Agency Securities Risk, Stock Market Risk, Foreign Securities Risk, Emerging Markets Securities Risk, Derivative Instruments Risk, Mid-Cap Securities Risk, Indexing Risk, Large Investor Risk
EXPENSE RATIO	1.12%

VT II Vantagepoint Milestone 2010 Fund

FUND CODE 8857

INVESTMENT OBJECTIVE	To offer high total return consistent with the Fund's current asset allocation.
PRINCIPAL INVESTMENT STRATEGIES	The underlying fund invests in a combination of other Vantagepoint Funds and one or more third party exchange-traded funds ("ETFs"). The underlying fund uses an asset allocation strategy designed for investors who retired in or around the year 2010 and would like to make gradual withdrawals from their investment. As time elapses, the underlying fund's allocation to equity and multi-strategy investments decreases and its allocation to fixed income investments increases such that the asset allocation becomes more conservative over time until it reaches a final constant asset allocation approximately 10 years after the year in its name. The underlying fund invests in a combination of equity, fixed income, and multi-strategy investments that its investment adviser believes to be appropriate.
PRINCIPAL RISKS	Asset Allocation Risk, Investing in Other Investment Companies, ETF Risks, Interest Rate Risk, Credit Risk, Mortgage-Backed Securities Risk, Convertible Securities Risk, High Yield Securities Risk, Asset-Backed Securities Risk, Prepayment and Extension Risk, U.S. Government Agency Securities Risk, Stock Market Risk, Foreign Securities Risk, Emerging Markets Securities Risk, Mid-Cap Securities Risk, Derivative Instruments Risk, Indexing Risk, Large Investor Risk
EXPENSE RATIO	1.12%

VT II Vantagepoint Milestone 2015 Fund

FUND CODE 8858

INVESTMENT OBJECTIVE	To offer high total return consistent with the Fund's current asset allocation.
PRINCIPAL INVESTMENT STRATEGIES	The underlying fund invests in a combination of other Vantagepoint Funds and one or more third party exchange-traded funds ("ETFs"). The underlying fund uses an asset allocation strategy designed for investors who retired in or around the year 2015 and would like to make gradual withdrawals from their investment. As time elapses, the underlying fund's allocation to equity and multi-strategy investments decreases and its allocation to fixed income investments increases such that the asset allocation becomes more conservative over time until it reaches a final constant asset allocation approximately 10 years after the year in its name. The underlying fund invests in a combination of equity, fixed income, and multi-strategy investments that its investment adviser believes to be appropriate.
PRINCIPAL RISKS	Asset Allocation Risk, Investing in Other Investment Companies, ETF Risks, Interest Rate Risk, Credit Risk, Mortgage-Backed Securities Risk, Convertible Securities Risk, High Yield Securities Risk, Asset-Backed Securities Risk, Prepayment and Extension Risk, U.S. Government Agency Securities Risk, Stock Market Risk, Foreign Securities Risk, Emerging Markets Securities Risk, Mid-Cap Securities Risk, Derivative Instruments Risk, Indexing Risk, Large Investor Risk
EXPENSE RATIO	1.13%

VT II Vantagepoint Milestone Funds	2020	2025	2030	2035	2040	2045	2050
	FUND CODE	FUND CODE	FUND CODE	FUND CODE	FUND CODE	FUND CODE	FUND CODE
	8859	8860	8861	8862	8863	8864	8865
INVESTMENT OBJECTIVE	To offer high total return consistent with the Fund's current asset allocation.						
PRINCIPAL INVESTMENT STRATEGIES	Each Fund invests in a corresponding Vantagepoint Milestone Fund which invests in a combination of other Vantagepoint Funds and one or more third party exchange-traded funds ("ETFs"). The underlying fund uses an asset allocation strategy designed for investors who expect to begin making withdrawals from their investment, typically at or after retirement (assumed to occur at age 60), in or around the year stated in the Fund's name. As time elapses, the underlying fund's allocation to equity and multi-strategy investments decreases and its allocation to fixed income investments increases such that the asset allocation becomes more conservative over time until it reaches a final constant asset allocation approximately ten years after the year in its name. The underlying fund invests in a combination of equity, fixed income, and multi-strategy investments that its investment adviser believes to be appropriate.						
PRINCIPAL RISKS	Asset Allocation Risk, Investing in Other Investment Companies, ETF Risks, Stock Market Risk, Foreign Securities Risk, Emerging Markets Securities Risk, Small-Cap Securities Risk, Mid-Cap Securities Risk, Equity Income/Interest Rate Risk, Convertible Securities Risk, High Yield Securities Risk, Interest Rate Risk, Credit Risk, Mortgage-Backed Securities Risk, Asset-Backed Securities Risk, Prepayment and Extension Risk, U.S. Government Agency Securities Risk, Derivative Instruments Risk, Indexing Risk, Large Investor Risk						
EXPENSE RATIO	2020	2025	2030	2035	2040	2045	2050
	1.14%	1.16%	1.18%	1.19%	1.22%	1.26%	1.30%



INVESTMENTS MAPPING CHART

The chart below shows the current Vantagepoint Funds and Dreyfus Cash Management Fund lineup and the proposed VantageTrust II Funds lineup by comparable fund. Upon adoption of VantageTrust II, RHS plans that include a fund listed in Column A will have existing assets moved to and future contributions directed to corresponding funds in Column B.

Current Fund Name (Column A)	Current Fund Code	New VantageTrust II Fund Name (Column B)	New VT II Fund Code
Vantagepoint Growth Fund	0020	VT II Vantagepoint Growth Fund	8620
Vantagepoint Select Value Fund	0022	VT II Vantagepoint Select Value Fund	8622
Vantagepoint Discovery Fund	0023	VT II Vantagepoint Discovery Fund	8623
Vantagepoint Low Duration Bond Fund	0024	VT II Vantagepoint Low Duration Bond Fund	8624
Vantagepoint Equity Income Fund	0025	VT II Vantagepoint Equity Income Fund	8625
Vantagepoint Aggressive Opportunities Fund	0026	VT II Vantagepoint Aggressive Opportunities Fund	8626
Vantagepoint Core Bond Index Fund	0030 / 0060	VT II Vantagepoint Core Bond Index Fund	8630
Vantagepoint Overseas Equity Index Fund	0036 / 0066	VT II Vantagepoint Overseas Equity Index Fund	8636
Vantagepoint 500 Stock Index Fund	0037 / 0067	VT II Vantagepoint 500 Stock Index Fund	8637
Vantagepoint Mid/Small Company Index Fund	0038 / 0068	VT II Vantagepoint Mid/Small Company Index Fund	8638
Vantagepoint International Fund	0045	VT II Vantagepoint International Fund	8645
Vantagepoint Growth & Income Fund	0047	VT II Vantagepoint Growth & Income Fund	8647
Vantagepoint Broad Market Index Fund	0050 / 0080	VT II Vantagepoint Broad Market Index Fund	8650
Vantagepoint Inflation Focused Fund	0075	VT II Vantagepoint Inflation Focused Fund	8675
Vantagepoint Milestone Retirement Income Fund	0250	VT II Vantagepoint Milestone Retirement Income Fund	8850
Vantagepoint Model Portfolio Conservative Growth Fund	0252	VT II Vantagepoint Model Portfolio Conservative Growth Fund	8852
Vantagepoint Model Portfolio Traditional Growth Fund	0253	VT II Vantagepoint Model Portfolio Traditional Growth Fund	8853
Vantagepoint Model Portfolio Long-Term Growth Fund	0254	VT II Vantagepoint Model Portfolio Long-Term Growth Fund	8854
Vantagepoint Model Portfolio Global Equity Growth Fund	0255	VT II Vantagepoint Model Portfolio Global Equity Growth Fund	8855
Vantagepoint Milestone 2010 Fund	0257	VT II Vantagepoint Milestone 2010 Fund	8857
Vantagepoint Milestone 2015 Fund	0258	VT II Vantagepoint Milestone 2015 Fund	8858
Vantagepoint Milestone 2020 Fund	0259	VT II Vantagepoint Milestone 2020 Fund	8859

continued on back

Current Fund Name (Column A)	Current Fund Code	New VantageTrust II Fund Name (Column B)	New VT II Fund Code
Vantagepoint Milestone 2025 Fund	0260	VT II Vantagepoint Milestone 2025 Fund	8860
Vantagepoint Milestone 2030 Fund	0261	VT II Vantagepoint Milestone 2030 Fund	8861
Vantagepoint Milestone 2035 Fund	0262	VT II Vantagepoint Milestone 2035 Fund	8862
Vantagepoint Milestone 2040 Fund	0263	VT II Vantagepoint Milestone 2040 Fund	8863
Vantagepoint Milestone 2045 Fund	0264	VT II Vantagepoint Milestone 2045 Fund	8864
Vantagepoint Milestone 2050 Fund	0265	VT II Vantagepoint Milestone 2050 Fund	8865
Dreyfus Cash Management Fund	4591	VT II Cash Management Fund	8856

VANTAGETRUST II FUNDS

DISCLOSURE MEMORANDUM

January 13, 2016

THIS OFFERING IS BEING MADE IN RELIANCE UPON AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT OF 1933, AS AMENDED, FOR AN INTEREST IN THE VANTAGETRUST II MULTIPLE COLLECTIVE INVESTMENT FUNDS TRUST ("TRUST"). NO PUBLIC MARKET WILL DEVELOP FOR THE UNITS OF PARTICIPATION IN ONE OR MORE SERIES (EACH A "FUND," AND COLLECTIVELY, THE "FUNDS") OF THE TRUST. THE UNITS ARE NOT TRANSFERABLE OR REDEEMABLE EXCEPT UPON SATISFACTION OF CERTAIN CONDITIONS DESCRIBED IN THIS DISCLOSURE MEMORANDUM AND THE TRUST'S DECLARATION OF TRUST.

THE UNITS OF PARTICIPATION OFFERED HEREBY HAVE NOT BEEN REGISTERED WITH OR APPROVED BY THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION OR ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE, NOR HAS ANY SUCH COMMISSION OR REGULATORY AUTHORITY PASSED UPON THE ACCURACY OR ADEQUACY OF THIS DISCLOSURE MEMORANDUM.

THE TRUST AND THE FUNDS ARE NOT REGISTERED AS AN INVESTMENT COMPANY UNDER THE INVESTMENT COMPANY ACT OF 1940, AS AMENDED, IN RELIANCE UPON AN EXEMPTION FROM SUCH REGISTRATION.

PROSPECTIVE INVESTORS ARE NOT TO CONSTRUE THE CONTENTS OF THIS DISCLOSURE MEMORANDUM AS INVESTMENT, TAX, OR LEGAL ADVICE. THIS DISCLOSURE MEMORANDUM, AS WELL AS THE NATURE OF THE INVESTMENT, SHOULD BE REVIEWED BY EACH PROSPECTIVE INVESTOR WITH ITS INVESTMENT ADVISERS, ACCOUNTANTS, OR LEGAL COUNSEL.

NO PERSON IS AUTHORIZED TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATION NOT CONTAINED IN THIS DISCLOSURE MEMORANDUM, AND, IF GIVEN OR MADE, SUCH OTHER INFORMATION OR REPRESENTATION MUST NOT BE RELIED UPON.

THIS DISCLOSURE MEMORANDUM CONTAINS SUMMARIES, BELIEVED TO BE ACCURATE, OF CERTAIN TERMS OF THE TRUST'S DECLARATION OF TRUST. FOR COMPLETE INFORMATION CONCERNING THE RIGHTS AND OBLIGATIONS OF THE PARTIES THERETO, REFERENCE IS HEREBY MADE TO THE ACTUAL DOCUMENTS, COPIES OF WHICH WILL BE FURNISHED TO PROSPECTIVE INVESTORS, UPON REQUEST. IN THE EVENT OF ANY INCONSISTENCIES BETWEEN THIS MEMORANDUM AND THE DECLARATION OF TRUST, THE PROVISIONS OF THE DECLARATION OF TRUST SHALL BE CONTROLLING. ALL SUCH SUMMARIES ARE QUALIFIED IN THEIR ENTIRETY BY THIS REFERENCE.

THE FUNDS AND OTHER INVESTMENT OPTIONS MADE AVAILABLE BY THE TRUST ARE NOT GUARANTEED OR INSURED BY THE FEDERAL DEPOSIT INSURANCE CORPORATION ("FDIC"), ANY OTHER GOVERNMENT AGENCY, THE VANTAGETRUST COMPANY, OR ICMA-RC.

BEFORE INVESTING IN A FUND THE FOLLOWING SHOULD BE CAREFULLY CONSIDERED:

- INVESTMENT GOALS, TOLERANCE FOR RISK, INVESTMENT TIME HORIZON, AND PERSONAL FINANCIAL CIRCUMSTANCES;
- THERE IS NO GUARANTEE THAT A FUND WILL MEET ITS INVESTMENT OBJECTIVE;
- PAST PERFORMANCE DOES NOT INDICATE OR GUARANTEE FUTURE PERFORMANCE;
AND
- AN INVESTOR CAN LOSE MONEY INVESTING IN THE FUNDS.

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I. INTRODUCTION

This *Disclosure Memorandum* (“Memorandum”) provides information about the VantageTrust II Funds (“Funds”). Each Fund is a series of the VantageTrust II Multiple Collective Investments Funds Trust (“Trust”).

In addition to this Memorandum, please refer to the appropriate “Fact Sheet” or “Investment Options Sheet” for information about each Fund and class. The Fact Sheet provides information including performance, risks, objectives, investment strategies, expenses, and restrictions. The Investment Options Sheet provides information including, risks, objectives, investment strategies and expenses.

II. MANAGEMENT OF THE TRUST

A. Trustee

The VantageTrust Company, LLC (“Trust Company”) is the trustee of the Trust. It is a New Hampshire non-depository banking institution founded in 2001. It makes the Funds available through the Trust to public sector plans and participants. The Trust Company is a wholly owned subsidiary of ICMA Retirement Corporation (“ICMA-RC”), the investment adviser to the Trust Company.

The Trust Company has exclusive management and investment authority with respect to any Fund established pursuant to the Trust’s Declaration of Trust (“Declaration of Trust”). The Trust Company may retain and consult with such investment advisers or other consultants, including, but not limited to, any affiliate of the Trust Company, as the Trust Company in its sole discretion may deem advisable, to assist it in carrying out its responsibilities under the Declaration of Trust. The Trust Company may, in its sole discretion, incorporate the advice of such investment advisers and other consultants into any investment guidelines, investment objectives, or restrictions.

B. Investment Adviser

ICMA-RC is a Delaware non-profit independent financial services corporation established in 1972 to assist state and local governments and their agencies and instrumentalities in the establishment and maintenance of deferred compensation and qualified retirement plans. ICMA-RC serves as the investment adviser and provides administrative support to the Trust Company. It is registered as an investment adviser with the Securities and Exchange Commission.

C. Trust

The Trust is a group trust established and maintained by the Trust Company and is intended to provide for the collective investment and reinvestment of assets of certain Eligible Trusts (“Plans”) as that term is defined in the Declaration of Trust. The Trust Company is the sole

trustee of the Trust. The Trust property allocable to the Plans is held for the trustees of those Plans for the exclusive benefit of that Plan's investors and beneficiaries.

The Board of Directors of the Trust Company ("Board") is responsible for investing Trust property and overseeing the investments, operations, and administration of the Trust, including the supervision and periodic review of ICMA-RC's services as investment adviser and administrator to the Trust Company and the Funds.

III. EXEMPTION FROM REGISTRATION UNDER FEDERAL SECURITIES LAWS

Interests in the Funds are not registered under the Securities Act of 1933, in reliance on the exemption under Section 3(a)(2) of that Act, nor are they registered under the Investment Company Act of 1940, in reliance on the exemption under Section 3(c)(11) of that Act.

IV. FEDERAL TAX STATUS

Sections 501(a) and 401(a) of the Internal Revenue Code provide that a group trust for the commingled investment of assets of qualified plans and other employee benefit plans, such as the Trust, is exempt from taxation.

V. ADOPTION OF TRUST AGREEMENT - ELIGIBLE TRUSTS

Admission to the Trust is governed by the terms of the Declaration of Trust. Each plan that desires to participate in the Trust shall establish to the Trust Company's satisfaction that it meets the conditions of participation set forth in the Declaration of Trust, including that it satisfies the definition of Eligible Trust as defined in the Declaration of Trust.

The following are considered Eligible Trusts as that term is defined in the Declaration of Trust:

- (a) a retirement, pension, profit-sharing, stock bonus, or other employee benefit trust that is exempt from Federal income taxation under Section 501(a) of the Code by reason of qualifying under Section 401(a) of the Code;
- (b) an eligible governmental plan trust or custodial account under Section 457(b) of the Code that is exempt under Section 457(g) of the Code;
- (c) Section 401(a)(24) governmental plans;
- (d) any common, collective, or commingled trust fund the assets of which consist solely of assets of eligible investors in a group trust under Revenue Ruling 81-100
- (e) an insurance company separate account (i) the assets of which consist solely of assets of eligible investors in a group trust under Revenue Ruling 81-100, (ii) with respect to which the insurance company maintaining the separate account has entered into a written arrangement with the Trust Company consistent with the requirements of Revenue Ruling 2011-1, and (iii) the assets of which are insulated from the claims of the insurance company's general creditors; or

- (f) any other plan, trust, or other entity that is an eligible investor in a group trust under Revenue Ruling 81-100.

VI. THE VANTAGETRUST II FUNDS

Following is an overview of each category of Funds of the Trust that the Trust Company has established. Please refer to each individual Fund Fact Sheet or Investment Options Sheet for additional information about the Fund and class, including performance, objectives, investment strategies, expenses and restrictions. See Appendix A for a list of the current VantageTrust II Funds.

A. VantageTrust II Model Portfolio Funds Overview

The VantageTrust II Model Portfolio Funds (“VT II Model Portfolio Funds”) are target risk funds. This means that each of the Model Portfolio Funds is a fund of funds that invests in certain of The Vantagepoint Funds and may also invest in third party exchange-traded funds (“underlying funds”) rather than investing directly in a portfolio of securities.

Each VT II Model Portfolio Fund has a different degree of potential risk and reward and is diversified among the underlying funds in differing allocations. By investing in this way, each VT II Model Portfolio Fund is exposed to the risks as well as the potential rewards of its underlying funds and the portfolio holdings and strategies of those funds.

Asset Allocation: The targeted allocation of each VT II Model Portfolio Fund among the underlying funds and the asset classes they represent is established by ICMA-RC as the investment adviser to the Trust Company.

Rebalancing: If one component of a particular VT II Model Portfolio Fund outperforms another component over any given time period, the VT II Model Portfolio Fund will become “out of balance.” For example, if the equity component of a VT II Model Portfolio Fund outperforms the fixed income portion, the amount of the equity portion may increase beyond its intended allocation. A significant change in the allocation can affect both the level of risk and the potential for gain or loss. ICMA-RC, as investment adviser, monitors the performance and underlying fund allocations of each VT II Model Portfolio Fund on a regular basis. When a fund becomes out of balance, ICMA-RC will transfer assets between underlying funds in order to rebalance a VT II Model Portfolio Fund.

Changes to the Underlying Funds: Any changes in the underlying funds, such as changes in investment objectives or strategies, may affect the performance of the VT II Model Portfolio Funds. ICMA-RC may alter the asset class allocations or underlying fund-level allocations of a VT II Model Portfolio Fund at its discretion.

B. VT II Vantagepoint Funds

Each VT II Vantagepoint Fund invests substantially all of its assets in a single underlying Vantagepoint Fund (which are funds sponsored by ICMA-RC and managed by its subsidiary, Vantagepoint Investment Advisers, LLC (“VIA”).

1. VT II Vantagepoint Milestone Funds and VT II Vantagepoint Model Portfolio Funds:

The VT II Vantagepoint Milestone Funds are target date funds and the VT II Vantagepoint Model Portfolio Funds are target risk funds. Each invests substantially all of its assets in the single Vantagepoint Milestone Fund (“VP Milestone Fund”) or Vantagepoint Model Portfolio Fund (“VP Model Portfolio Fund”) that shares its name and investment objective. In turn, each underlying VP Milestone Fund or VP Model Portfolio Fund is a “fund of funds” that invests substantially all of its assets in other Vantagepoint Funds and may also invest in one or more third party exchange-traded funds. By investing in this way, each VP Milestone Fund or VP Model Portfolio Fund is exposed to the risks as well as the potential rewards of its underlying funds and of the portfolio holdings and strategies of those funds.

Changes to the Underlying Funds: Any changes in the underlying funds, such as changes in investment objectives or strategies, may affect the performance of the VT II Vantagepoint Milestone Funds and VT II Vantagepoint Model Portfolio Funds. VIA may alter the asset class allocations or underlying fund-level allocations of a VP Milestone Fund or VP Model Portfolio Fund at its discretion.

VP Milestone Funds: The targeted allocation of each VP Milestone Fund’s assets among underlying funds and the asset classes they represent is determined by VIA. Over time, VIA will adjust the asset allocation of each “dated” VP Milestone Fund to seek to become more conservative as the year designated in its name approaches and for approximately 10 years beyond the designated year. This is intended to reduce investment risk as investors move toward and into retirement. However, there is no guarantee that this goal will be achieved, and investors may lose money investing in the VP Milestone Funds. Ten years after the date in the Milestone Fund’s name, it will reach its “landing point” and its target allocation becomes constant.

Unlike the dated VP Milestone Funds whose asset allocations change over time, the Vantagepoint Milestone Retirement Income Fund maintains a constant asset allocation and is designed for investors who have begun to make gradual withdrawals or are seeking to preserve principal with some opportunity for inflation protection and capital growth, or who have a low tolerance for price fluctuations or wish to invest for the shorter-term.

VP Model Portfolio Funds: Each VP Model Portfolio Fund has a different degree of potential risk and reward and is diversified among the underlying funds in differing

allocations. By investing in this way, each VP Model Portfolio Fund is exposed to the risks as well as the potential rewards of its underlying funds and the portfolio holdings and strategies of those funds.

Asset Allocation: The targeted allocation of each VP Model Portfolio Fund among the underlying funds and the asset classes they represent is established by VIA.

Rebalancing: If one component of a particular VP Model Portfolio Fund outperforms another component over any given time period, the VP Model Portfolio Fund will become “out of balance.” For example, if the equity component of a VP Model Portfolio Fund outperforms the fixed income portion, the amount of the equity portion may increase beyond its intended allocation. A significant change in the allocation can affect both the level of risk and the potential for gain or loss. VIA, as investment adviser, monitors the performance and underlying fund allocations of each VP Model Portfolio Fund on a regular basis. When a fund becomes out of balance, VIA will transfer assets between underlying funds in order to rebalance a VP Model Portfolio Fund.

C. VT II Cash Management Fund

The VT II Cash Management Fund invests substantially all of its assets in a single underlying third-party fund. The underlying fund generally invests in a diversified portfolio of high quality, short-term debt securities.

VII. INVESTMENT RISKS

Key risks of investing in the Funds and any underlying funds are summarized below. This is not an exhaustive list. Please refer to each individual Fund Fact Sheet or Investment Options Sheet which identifies the key risks applicable to that Fund.

Asset Allocation Risk—Asset allocation risk is the risk that the selection of the underlying funds and the allocation of Fund assets among them will cause a Fund to lose money or to underperform other funds with similar investment objectives. In addition, there is the risk that the asset classes favored by the allocations will not perform as expected. Any changes made in the underlying funds, such as changes in investment objectives or strategies, may affect the Fund’s performance. Similarly, if the Fund’s asset allocations become “out of balance,” this could affect both the Fund’s level of risk and the Fund’s potential for gain or loss.

Asset-Backed Securities Risk—Defaults on the assets underlying asset-backed securities may adversely affect the value of these securities. These securities are subject to risks associated with the nature of the underlying assets and are also subject to interest rate risk, credit risk, prepayment risk, and extension risk. Certain asset-backed securities may be more volatile and less liquid than other traditional types of fixed income securities.

Banking Industry Risk—The risks generally associated with concentrating investment in the banking industry, such as interest rate risk, credit risk, and regulatory developments relating to the banking industry.

Call Risk—A fixed income security may include a provision that allows the issuer to purchase the security back from its holder earlier than the final maturity date of the security, known as a “call feature.” Issuers often exercise this right when interest rates have declined, in which case, the Fund may be forced to reinvest the proceeds received at a lower interest rate

Convertible Securities Risk—The value of a convertible security generally increases and decreases with the value of the underlying common stock, but may also be sensitive to changes in interest rates. Convertible securities generally have a higher risk of default and tend to be less liquid than traditional non-convertible securities. In addition, the convertible securities a Fund invests in may be rated below investment grade or may be unrated, which could increase their risks. Below investment grade securities are speculative and involve a greater risk of default than investment grade securities. The market prices of lower rated convertible securities also may experience greater volatility than the market prices of higher quality securities and may decline significantly in periods of general economic difficulty. A Fund could lose money if the issuer of a convertible security is unable to meet its financial obligations or declares bankruptcy.

Credit Risk—An issuer of a fixed income security may be unable or unwilling to make payments of principal or interest to the holders of such securities or may declare bankruptcy. These events could cause a Fund to lose money.

Derivative Instruments Risk—Use of derivative instruments involves risks different from, or possibly greater than, the risks associated with more traditional investments, and may involve a small amount of investment relative to the amount of risk assumed. Risks associated with derivative instruments include: the risk that the other party to a derivative contract may not fulfill its obligations (counterparty risk); the risk that a particular derivative instrument, such as over-the-counter derivative instruments, may be difficult to purchase or sell (liquidity risk); the risk that certain derivative instruments are more sensitive to interest rate changes and market price fluctuations (interest rate and market risks); the risk of mispricing or improper valuation of the derivative instrument (valuation risk); the inability of the derivative instrument to correlate in value with its underlying asset, reference rate, or index (basis risk); the risk that the Fund may lose substantially more than the amount invested in the derivative instrument, and that the Fund may be forced to liquidate portfolio positions when it may not be advantageous to do so to satisfy its obligations or to meet segregation requirements (leverage risk). There is no assurance that the Fund’s use of any derivatives strategy will succeed, or that the Fund will not lose money.

Emerging Markets Securities Risk—Investments in securities issued by companies located in emerging market countries may present risks different from, or greater than, the risks of investing in securities issued by companies located in developed foreign countries. Emerging

market countries may be more likely to experience political turmoil or rapid changes in market or economic conditions than more developed countries. It is sometimes difficult to obtain and enforce court judgments in such countries and there is often a greater potential for nationalization or expropriation of assets by the government of an emerging market country. In addition, the financial stability of issuers (including governments) in emerging market countries may be more precarious than in developed countries. Investments in securities issued by companies located in emerging market countries tend to be more volatile than investments in securities issued by companies located in developed foreign countries and may be more difficult to value.

Equity Income/Interest Rate Risk—A Fund’s distributions to shareholders may decline when interest rates fall or when dividend income from investments in stocks declines.

Exchange-Traded Fund (“ETF”) Risks—In addition to the risks associated with investing in other investment companies, an investment in an ETF may be subject to the following risks: (1) an ETF’s shares may trade above or below their net asset value; (2) an active trading market for the ETF’s shares may not develop or be maintained; (3) secondary market trading in an ETF’s shares may be halted; (4) an ETF may not accurately track the performance of the reference index; and (5) an ETF might hold troubled securities if those securities are held in the reference index.

Floating Rate Loans Risk—Investments in floating rate loans have risks that are similar to those of fixed income securities, and carry the risk of impairment of collateral. The value of the collateral securing a floating rate loan can decline, be insufficient to meet the obligations of the borrower, or be difficult to liquidate. As such, a floating rate loan may not be fully collateralized and can decline significantly in value.

Foreign Currency Risk—Investments in foreign currencies or securities denominated in foreign currencies (including derivative instruments that provide exposure to foreign currencies) may experience gains or losses solely based on changes in the exchange rate between foreign currencies and the U.S. dollar.

Foreign Securities Risk—Investments in foreign securities may involve the risk of loss due to political, economic, legal, regulatory, and operational uncertainties; differing accounting and financial reporting standards; limited availability of information; currency fluctuations; and higher transaction costs.

High Yield Securities Risk—Securities that are rated below “investment grade” (commonly known as “high yield securities” or “junk bonds”) or, if unrated, are considered by a subadviser to be of equivalent quality, are speculative and involve a greater risk of default than “investment grade” securities. The values of these securities are particularly sensitive to changes in issuer creditworthiness, and economic and political conditions. The market prices of these securities may decline significantly in periods of general economic difficulty, may be harder to value, and may be less liquid than higher rated securities.

Inflation-Adjusted Securities Risk—Investments in inflation-adjusted securities are affected by changes in interest and inflation rates. Interest payments on inflation-adjusted securities will vary as the principal or interest is adjusted for inflation and may be more volatile than interest paid on ordinary fixed income securities. Inflation-adjusted securities may not produce a steady income stream, particularly during deflationary periods, and during periods of extreme deflation these securities may not provide any income.

Indexing Risk—Unlike an actively managed strategy, an index or passively managed strategy does not rely on a portfolio manager’s decision making with respect to which individual securities may outperform others. Securities in an index or passively managed strategy may be purchased, held, and sold by such underlying funds at times when an actively managed portfolio would not do so. In addition, performance of underlying funds using an index or passively managed strategy will deviate from the performance of the specified index, which is known as tracking error. Tracking error may be caused by: (i) fees and expenses associated with managing the underlying index strategy funds (whereas the benchmark index has no management fees or transaction expenses); (ii) changes to the index and the timing of the rebalancing of the underlying index strategy funds; and (iii) the timing of cash flows into and out of the underlying index strategy funds.

Interest Rate Risk—Fixed income securities fluctuate in value as interest rates change. When interest rates rise, the market prices of fixed income securities will usually decrease; when interest rates fall, the market prices of fixed income securities usually will increase. Investments in fixed income securities may be subject to a greater risk of rising interest rates due to the current period of historically low rates and the effect of potential government fiscal policy initiatives and resulting market reaction to those initiatives.

Investing in Other Investment Companies—A Fund’s investment in another investment company is subject to the risks associated with that investment company’s portfolio securities. For example, if the investment company holds common stocks, the Fund also would be exposed to the risk of investing in common stocks. In addition, when a Fund purchases shares of another investment company (including another fund), the Fund will indirectly bear its proportionate share of the advisory fees and other operating expenses of such investment company. The fees and expenses of the other investment company are in addition to the Fund’s own fees and expenses.

Large Investor Risk—A Fund or an underlying fund may experience large investments or redemptions. While it is impossible to predict the overall impact of these transactions over time, there could be adverse effects on portfolio management. For example, a Fund or an underlying fund may be required to sell securities or invest cash at times when it would not otherwise do so. These transactions can increase transactions costs.

Liquidity Risk—Liquidity risk exists when a particular security or other instrument is difficult to trade. An investment in illiquid assets may reduce the returns of the investment because the

holder of such assets may not be able to sell the assets at the time desired for an acceptable price or might not be able to sell the assets at all. Illiquid assets may also be difficult to value.

Mid-Cap Securities Risk—Investments in mid-capitalization companies involve greater risk than is customarily associated with investments in larger, more established companies. Equity securities of mid-capitalization companies generally trade in lower volume and are generally subject to greater and less predictable price changes than the securities of larger companies.

Mortgage-Backed Securities Risk—Defaults on the mortgages underlying mortgage-backed securities may adversely affect the value of these securities. These securities are also subject to interest rate risk, credit risk, prepayment risk, and extension risk. Certain mortgage-backed securities may be more volatile and less liquid than other traditional types of fixed income securities.

Multi-Manager Risk—While VIA monitors each subadviser and the overall management of the The Vantagepoint Funds that are the underlying mutual funds to certain VantageTrust II Funds, each subadviser makes investment decisions independently from VIA and the other subadvisers. It is possible that the security selection process of one subadviser will not complement that of the other subadvisers. As a result, the fund's exposure to a given security, industry, sector or market capitalization could be smaller or larger than if the fund were managed by a single subadviser, which could affect the fund's performance.

Municipal Securities Risk—The value of, payment of interest and repayment of principal with respect to, and the ability of the fund to sell, a municipal security may be affected by constitutional amendments, legislative enactments, executive orders, administrative regulations and voter initiatives as well as the economics of the regions where the issuer is located. Certain municipal securities may be difficult to value or sell at a fair price.

Preferred Stock Risk—Preferred stockholders may have more limited voting rights than common stockholders. Holders of a company's debt securities are generally paid before holders of the company's preferred stock. The value and volatility of preferred stock may be dependent on factors that affect both fixed income securities and equity securities.

Prepayment and Extension Risk—Mortgage-backed and asset-backed securities are exposed to prepayment risk and extension risk. Prepayment risk may occur when borrowers pay their mortgages or loans more quickly than required under the terms of the mortgage or loan. Most borrowers are likely to prepay their mortgage or loan at a time when it may be least advantageous to a holder of these securities (e.g., during periods of falling interest rates), which may force the holder to reinvest the proceeds of prepayments in lower-yielding instruments and result in a decline in the holder's income. Extension risk may occur when rising interest rates result in decreased prepayments, which could extend the average life of the security, cause its value to decline more than traditional fixed-income securities and increase its volatility.

Portfolio Turnover Risk—The Fund may engage in a significant number of short-term transactions, which may adversely affect performance. Increased portfolio turnover may result in higher brokerage costs or other transactions fees and expenses. These costs are ultimately passed on to shareholders.

REITs Risk—Real estate investment trusts (“REITs”) are subject to risks generally associated with investing in real estate, such as declining real estate values, over-building, property tax increases, increases in operating expenses and interest rates, insufficient levels of occupancy, the inability to obtain financing (at all or on acceptable terms), and the national, regional and local economic conditions affecting the real estate market.

Repurchase Agreement Counterparty Risk—The risk that a counterparty in a repurchase agreement could fail to honor the terms of its agreement.

Small-Cap Securities Risk—Investments in small-capitalization companies involve greater risk than is customarily associated with investments in larger, more established companies. Equity securities of small-capitalization companies are generally subject to greater price volatility than those of larger companies due to: less certain growth prospects, the lower degree of liquidity in the markets for their securities, and the greater sensitivity of smaller companies to changing economic conditions. Also, small-capitalization companies may have more limited product lines, fewer capital resources and less experienced management than larger companies.

Stock Market Risk—Stock market risk is the possibility that the prices of equity securities overall will experience increased volatility and decline over short or extended periods. Markets tend to move in cycles, with periods of rising prices and periods of falling prices.

Style Risk—All of the funds are subject, in varying degrees, to style risk, which is the possibility that returns from a specific type of security in which a fund invests or the investment style of a fund’s adviser will trail the returns of the overall market. In the past, different types of securities have experienced cycles of outperformance and underperformance in comparison to the market in general. Therefore, investing in a fund with a specific style will create exposure to this risk. For example, growth stocks have performed best during the later stages of economic expansion and value stocks have performed best during periods of economic recovery. Therefore, both the growth and value investing styles may, over time, go in and out of favor. At times when the investing style used by a fund is out of favor, that fund may underperform other funds that use different investing styles.

TBA Risk—In To-Be-Announced (“TBA”) transactions, the fund commits to purchase certain mortgage-backed securities for a fixed price at a future date. TBA transactions involve the risk that the actual securities received by the Fund may be less favorable than what was anticipated when entering into the transaction. TBA transactions also involve the risk that a counterparty will fail to deliver the securities, exposing the Fund to further losses.

U.S. Government Agency Securities Risk—Securities issued by U.S. Government agencies or government-sponsored enterprises may not be guaranteed by the U.S. Treasury. Further, there is no assurance that the U.S. Government will provide financial support to its agencies or instrumentalities (including government-sponsored enterprises) that issue or guarantee certain securities. If a government agency or a government-sponsored enterprise is unable to meet its obligations, the Fund may experience a loss.

U.S. Treasury Securities Risk—A security backed by the U.S. Treasury or the full faith and credit of the United States is guaranteed only as to the timely payment of interest and principal when held to maturity, the market prices for such securities are not guaranteed and will fluctuate.

VIII. SERVICES PROVIDED BY ICMA-RC TO THE TRUST COMPANY

The Trust Company has appointed ICMA-RC to act as the investment adviser to the Trust Company in respect to the Funds. As investment adviser, ICMA-RC advises the Trust Company on the composition and design of investment programs and options. It also advises the Trust Company with respect to investments by the Funds.

ICMA-RC provides administrative support to the Trust Company as may be required to exercise recordkeeping, reporting, disclosure and other support functions in respect to the Funds.

IX. FEES AND EXPENSES

The Trust Company is entitled under the Declaration of Trust to receive reasonable compensation for its services in managing and administering the Trust. The compensation, custodial fees and expenses of the Trust Company are paid from the Trust, except to the extent that plan fiduciaries have arranged for payment from other sources.

The Trust charges the fees and expenses of ICMA-RC, as investment adviser, to the Funds. ICMA-RC also charges a combined fee for providing investment advisory, administrative, and management services to the Trust Company. The fees charged vary depending on the particular type and level of services required and are part of the negotiated investment management contract between the Trust Company and ICMA-RC.

The Trust Company may also charge to a particular class of a Fund any other expense, claim or charge that is specifically allocated to such class.

Please refer to each Fund's Fact Sheet or Investment Options Sheet for the expenses applicable to that Fund and class.

X. CONFLICTS OF INTEREST

ICMA-RC provides investment advice with respect to certain investment options available through the Trust in which ICMA-RC has a financial interest. ICMA-RC is the sponsor of The Vantagepoint Funds, which comprise the underlying investments of certain of the Funds. When

ICMA-RC recommends that a Fund invest in a Vantagepoint Fund, a potential conflict of interest exists because either ICMA-RC or one of its affiliates receives compensation in the form of advisory fees, transfer agent, shareholder servicing, or other administrative fees based on the assets invested in the Vantagepoint Fund. Similarly, when ICMA-RC recommends that a Fund invests in a third-party mutual fund, a potential conflict of interest exists because ICMA-RC or its affiliate, ICMA-RC Services, LLC receives payments from third-party mutual fund families or their service providers in the form of 12b-1 fees, service fees, compensation for sub-accounting and other services provided by ICMA-RC Services and/or ICMA-RC based on assets in the underlying third-party mutual fund.

All of these payments from other parties are expressly disclosed to and acknowledged by the Trust Company in its investment management agreement with ICMA-RC.

XI. UNIT ACCOUNTING FOR FUNDS

The beneficial interest in a class of a Fund is represented by units. Plans purchase units in the Fund for the benefit of their participants and beneficiaries. These units represent a proportional ownership interest in each Fund in which the Plan is invested. The worth of a unit is known as its Unit Value. The daily Unit Value is determined at the close of each business day by adding the value of all of a Fund's investments, plus cash and other assets, deducting liabilities, and then dividing the result by the number of outstanding units in the Fund as of the end of the prior day and rounding the results to the nearest cent. The Unit Value of a Model Portfolio Fund is calculated based upon the net asset value of the underlying funds in which it invests.

The value of an investment in a Fund equals the number of units held multiplied by the current day's Unit Value. Because Unit Values and investment returns will fluctuate, a transfer or disbursement will normally result in the receipt of more or less than the original cost of an investment.

Fees and expenses charged by ICMA-RC are deducted before the Unit Value is calculated. The Unit Value takes into account the net asset value of the underlying mutual funds in the Model Portfolio Funds and any applicable fees and expenses charged by ICMA-RC.

XII. SHARE CLASSES

All Funds may be made available through different classes and sub-classes. These classes and sub-classes may have different fee structures for the services provided, including but not limited to, advisory, administration, record keeping and participant education services. The Trust Company may divide a Fund or its share class into different sub-share classes that reflect a different combination of fees or a lower fee structure that the Trust Company may then make available to certain Plans. Plans may qualify for a class or sub-class based upon a number of factors that reflect savings from economies of scale or other cost savings with respect to services provided. These include, but are not limited to: the asset size, average account balance, the type and scope of services provided, or other features of the Plan.

The Trust Company reserves the right to open additional classes and adopt eligibility criteria. Individuals do not independently qualify for separate classes or sub-classes in a Plan.

XIII. INVESTING IN THE FUNDS

The following explains how an investment can be made into a Fund, as well as information about when investments can be made, how funds can be transferred, and other policies relating to an investment in the Funds.

Definition of a Business Day – The Funds are available on any business day, which is any day when the New York Stock Exchange (“NYSE”) is open for business. “Close of business” means 4:00 p.m. Eastern Time, or the final close of trading on any day when trading on the NYSE closes at a time other than 4:00 p.m. Eastern Time.

Transfer, Withdrawal and Allocation Changes – Generally, unless restricted by a plan sponsor, transfer, withdrawal and allocation changes among the Funds may be made on a daily basis by Internet (Account Access), or by speaking to an Investor Services representative at ICMA-RC. Account Access is normally available 24 hours a day, seven days a week. Instructions sent by email correspondence will not be accepted.

RHS Employer Investment Program - Transfer, withdrawal and allocation changes may generally be made on a daily basis via fax or mail using the appropriate form. The forms may be obtained by logging into EZLink or by contacting a Plan Sponsor Services representative at the number provided below.

Transfer and Withdrawal Restrictions – Under the terms of the Declaration of Trust, the Trust Company has full discretion to defer withdrawals or transfers. Class specific restrictions or limitations will be disclosed on the applicable Fact Sheet or Investment Options Sheet.

Automatic Rebalance – Certain Plan and participant accounts may be eligible for an auto-rebalance feature. This feature periodically returns the account to the plan’s or participant’s desired asset allocation. Rebalancing strategies do not ensure a profit and do not protect against losses in declining markets.

Confirmations and Statements – Investors in the Funds will receive confirmation after each transaction and a quarterly statement that shows quarterly activity. Part-time employees may receive only annual statements. Please review this information carefully and contact ICMA-RC immediately if you see any discrepancies.

Account Access – Account Access is an internet site that is available to plan participants. It can be reached via ICMA-RC’s website at www.icmarc.org. Information available includes plan fund lineups, ICMA-RC administered account balances, investment allocations, and investment performance.

EZLink – EZLink is an internet site that is available to plan sponsors and provides access to plan and participant data. It can be reached via ICMA-RC’s website at www.icmarc.org. EZLink consists of a number of different online services enabling faster processing of information and greater control over data submission.

Participant Telephone Access – Self-service phone access as well as Investor Services representatives are available to participants by calling 800-669-7400.

Plan Sponsor Telephone Access – Phone access to Plan Sponsor Services representatives is available to plan sponsors by calling 800-326-7272.

Contributions – Plan fiduciaries generally may make contributions to their Plans as often as weekly. Contributions received in good order prior to the close of business on any business day are posted that business day. Contributions received in good order after the close of business are treated as if received the next business day.

“Good order” means that contribution deposits must be accompanied by sufficient detail and in ICMA-RC’s standard format so that ICMA-RC is able to allocate contributions properly. If a contribution is not received in good order, the deposit is held in a non-interest bearing account until all necessary information is received. If a contribution is not in good order after three business days, ICMA-RC will coordinate with the plan sponsor and may return the contribution to the plan sponsor.

Contributions received for an identified participant account that does not have complete allocation instructions will be invested in the Plan’s default option.

Distributions and Reinvestment of Earnings – There is not expected to be distribution of income, dividends or capital gains to holders of units of a Fund. Rather, it is anticipated that such items will be reflected in the net asset value of the Fund.

XIV. FREQUENT TRADING RESTRICTIONS

The Funds are meant for long-term investment purposes. Frequent trading of the Funds may cause additional costs to be incurred by the Funds, and these costs will affect all investors. Also, the rate of return long-term investors realize from their investments may be impacted by any frequent trading activity of other investors. ICMA-RC is committed to curbing frequent trading to protect long-term investors.

ICMA-RC defines frequent trading as a buy followed by a sell three times in the same fund during a 90-calendar-day period or a buy followed by a sell ten times in the same fund during a 365-calendar-day period. Systematic participant withdrawals, contributions, and distributions are not considered frequent trading. If frequent trading and/or market timing activity are detected in an account with ICMA-RC, ICMA-RC may communicate by telephone or in writing about these trading activities in an effort to deter such activities. If such communications fail to deter the frequent trading activity, further action may be taken on the account including restricting future purchases in the ICMA-RC administered account.

ICMA-RC's aim is to monitor and enforce this frequent trading policy consistently. ICMA-RC cannot guarantee that all the risks associated with frequent trading will be completely eliminated by this policy and/or restrictions.

XV. INABILITY TO CONDUCT BUSINESS

ICMA-RC is normally open for business and operating when the New York Stock Exchange ("NYSE") is open for business. However, unusual circumstances or emergencies including, but not limited to, severe and extraordinary weather conditions, flooding, other natural disasters, pandemic flu or other health epidemics, regional power failures, fires, market disruption, civil disturbances or other events may prevent ICMA-RC from conducting business on a given day or for longer periods of time. In such an event, transactions in the investment options offered through the Trust may be delayed and not effected until ICMA-RC resumes normal business operations.

In addition, in some cases, ICMA-RC may be open for business but operating on a limited basis and may require that the submission of investment transactions and other orders or directions be made via the Internet.

Account Access and EZLink, the internet platforms available to investors and Plans, are normally available 24 hours a day, seven days a week, except during scheduled maintenance periods. Service availability is not guaranteed. ICMA-RC, the Trust Company, and their affiliates will not be responsible for any loss (or foregone gain) that may be incurred as a result of the service being unavailable. ICMA-RC cannot and does not accept any financial responsibility or liability for market fluctuations in the value of an investor's investment that may occur while ICMA-RC is unable to conduct business as described above.

VantageTrust II Funds Disclosure Memorandum

Appendix A

Stable Value / Cash Management Funds

VT II Cash Management Fund

VantageTrust II Model Portfolio Funds

VantageTrust II Model Portfolio Aggressive Fund

VantageTrust II Model Portfolio Conservative Fund

VantageTrust II Model Portfolio Moderate Fund

VantageTrust II Vantagepoint Model Portfolio Funds

VT II Vantagepoint Model Portfolio Conservative Growth Fund

VT II Vantagepoint Model Portfolio Traditional Growth Fund

VT II Vantagepoint Model Portfolio Long-Term Growth Fund

VT II Vantagepoint Model Portfolio Global Equity Growth Fund

VantageTrust II Vantagepoint Funds

VT II Vantagepoint Core Bond Index Fund

VT II Vantagepoint Inflation Focused Fund

VT II Vantagepoint Low Duration Bond Fund

VT II Vantagepoint Equity Income Fund

VT II Vantagepoint 500 Stock Index Fund

VT II Vantagepoint Broad Market Index Fund

VT II Vantagepoint Growth & Income Fund

VT II Vantagepoint Growth Fund

VT II Vantagepoint Select Value Fund

VT II Vantagepoint Aggressive Opportunities Fund

VT II Vantagepoint Mid/Small Company Index Fund

VT II Vantagepoint Discovery Fund

VT II Vantagepoint International Fund

VT II Vantagepoint Overseas Equity Index Fund

VantageTrust II Vantagepoint Milestone Funds

VT II Vantagepoint Milestone Retirement Income Fund

VT II Vantagepoint Milestone 2010 Fund

VT II Vantagepoint Milestone 2015 Fund

VT II Vantagepoint Milestone 2020 Fund

VT II Vantagepoint Milestone 2025 Fund

VT II Vantagepoint Milestone 2030 Fund

VT II Vantagepoint Milestone 2035 Fund

VT II Vantagepoint Milestone 2040 Fund

VT II Vantagepoint Milestone 2045 Fund

VT II Vantagepoint Milestone 2050 Fund

REPORT TO CITY COUNCIL

City of Nevada City
317 Broad Street
Nevada City, CA 95959
www.nevadacityca.gov

August 10, 2016

TITLE: Award of Contract Change Order for Gas Line Replacement at the Wastewater Plant in Nevada City

RECOMMENDATION: Pass Resolution 2016-XX awarding a contract change order to CME Services, Grass Valley, CA in the amount of \$32,000 plus \$5,000 contingencies and an additional time extension of thirty (30) calendar days for Replacement of Gas Line at the Wastewater Plant in Nevada City and authorize the Mayor to sign.

CONTACT: Bryan K. McAlister, City Engineer

BACKGROUND/DISCUSSION: The Contract for Wastewater Treatment Plant Utility Improvements was awarded by City Council in February 10, 2016. The project is currently under construction. During construction it was determined by City staff and PG&E that additional gas pipe replacement is needed from the meter location to the gated entrance to the plant.

The quantity of additional pipe replacement is approximately 1,030 lineal feet. The Contract Change Order Amount is based on a unit price of \$26 per lineal feet plus additional cost for aggregate base backfill.

This change is necessary to upgrade all remaining portions of gas piping to current standards from the PG&E meter to the wastewater treatment plant.

FISCAL CONSIDERATIONS: The project will be funded with budgeted sewer funds.

ATTACHMENT:

✓ Resolution 2016-XX

RESOLUTION 2016-XX

**A RESOLUTION OF THE CITY OF NEVADA CITY
TO AWARD A CONTRACT CHANGE ORDER TO CME SERVICES FOR GAS LINE
REPLACEMENT AND AUTHORIZE MAYOR TO SIGN**

WHEREAS, the original contract for Wastewater Treatment Plant Utility Improvements was awarded by City Council in February 10, 2016; and

WHEREAS, during construction it was determined by City staff and PG&E that additional gas pipe replacement is needed; and

WHEREAS, in accordance with provisions set forth in the original contract, the City may authorize Change Orders for additional work.

BE IT RESOLVED, the City Council of the City of Nevada City to award a contract change order to CME Services, Grass Valley, CA in the amount of \$32,000 plus \$5,000 contingencies and an additional time extension of thirty (30) calendar days for Replacement of Gas Line at the Wastewater Plant in Nevada City and authorize the Mayor to sign.

PASSED AND ADOPTED at a regularly scheduled meeting of the Nevada City City Council held on this 10th day of August, 2016 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Evans Phelps, Mayor

ATTEST:

Niel Locke, City Clerk

CITY OF NEVADA CITY
DRAFT ACTION MINUTES
REGULAR CITY COUNCIL MEETING OF JULY 27, 2016

NOTE: This meeting is available to view on the City's website www.nevadacityca.gov – Go to **Quick Links** and Click on **Agendas & Minutes** and find the Archived Videos in the middle of the screen. Select the meeting date and Click on **Video** to watch the meeting. For website assistance, please contact Corey Shaver, Deputy City Clerk at (530) 265-2496, ext 133.

- City Council Meetings are available on DVD. To order, contact City Hall - cost is \$15.00 per DVD.
- Closed Session Meetings are not recorded.

REGULAR MEETING – 6:30 PM - Call to Order

Roll Call: Present: Moberg, Parker, Senum, Vice Mayor Strawser & Mayor Phelps

PLEDGE OF ALLEGIANCE

PROCLAMATION:

PRESENTATION:

1. BUSINESS FROM THE FLOOR-PUBLIC COMMENT (Per Government Code Section 54954.3)

Please refer to the meeting video on the City's website at www.nevadacityca.gov.

2. COUNCIL MEMBERS REQUESTED ITEMS AND COMMITTEE REPORTS:

Please refer to the meeting video on the City's website at www.nevadacityca.gov for additional comments.

3. CONSENT ITEMS:

- A. Subject:** Fire Activity Report – June 2016
Recommendation: Receive and file.
- B. Subject:** Amendment to the Joint Powers Agreement to add Nevada City as an associate member to permit participation in the California Home Energy Renovation Opportunity (HERO) program
Recommendation: Approve and authorize the mayor to sign an Amendment to the Joint Powers Agreement adding City of Nevada City as an Associate Member of Western Riverside Council of Governments to Permit the Provision of Property Assessed Clean Energy (PACE) Program services within the City.
- C. Subject:** Land Use Covenant for Stiles Mill Property
Recommendation: Pass Resolution 2016-35 authorizing the Mayor to sign the Land Use Covenant and Agreement to Restrict Use of Property, Environmental Restrictions required by Department of Toxic Substances.
- D. Subject:** Proposition 84, Integrated Regional Water Management (IRWM) Implementation Grant Agreement 4600009716 Amendment #2
Recommendation: Review and authorize the Mayor to sign Proposition 84, Integrated Regional Water Management (IRWM) Implementation Grant Agreement 4600009716 Amendment #2.

Action: Motion by Parker, seconded by Senum to approve Consent Items as presented.
(Approved 4 – 0; Strawser absent)

4. APPROVAL OF ACTION MINUTES:

- A.** City Council Meeting – July 6, 2016
- B.** Special City Council Meeting – July 13, 2016

Action: Motion by Senum, seconded by Phelps to approve the July 6 and July 13, 2016 Minutes noting the meeting of July 6, 2016 included the swearing in of City Clerk Niel Locke.

(Approved 4 – 0; Strawser absent)

5. DEPARTMENT REQUESTED ACTION ITEMS AND UPDATE REPORTS:

- A. Subject:** City of Nevada City Surplus Property Disposition Policy
Recommendation: Pass Resolution 2016-36 adopting the City of Nevada City Surplus Property Disposition Policy.

Action: Motion by Senum, seconded by Moberg to adopting the City of Nevada City Surplus Property Disposition Policy.

(Approved 4 – 0; Strawser absent)

6. PUBLIC HEARINGS:

- A. Subject:** Continuation of an Appeal of Planning Commission Decision to Deny the Architectural Review Application of Charlotte Dewar to Construct a Front Entry Façade on the Accessory Building located at 254 Boulder Street
Recommendation: After holding a public hearing, Council shall make a decision whether to uphold, overturn or modify the Planning Commission decision to deny the Architectural Review Application.

Action: Public Hearing continued to meeting of August 24, 2016. Mayor Phelps, Council Member Senum and City Planner will meet in interim with Appellant.

7. OLD BUSINESS:

- A. Subject:** Update on Water Conservation Legislation and Projects
Recommendation: Receive and file.

Action: Direction provided to staff to develop water conservation ordinance with common sense conservation principles.

8. NEW BUSINESS:

- A. Subject:** Nevada City Sidewalk Cost-Sharing Program Pilot Project
Recommendation: Review and approve implementation of Nevada City Sidewalk Cost-Sharing Program Pilot Project.

Action: Motion by Senum, seconded by Parker to approve implementation of Nevada City Sidewalk Cost-Sharing Program Pilot Project.

(Approved 4 – 0; Strawser absent)

- B. Subject:** City Council Appointments for Fiscal Year 2016-2017
Recommendation: Review and consider appointment of City Council Members to City and External Boards, Committees and Commissions for Fiscal Year 2016-2017.

Action: City Council made the following appointments:

<u>Committee</u>	<u>Appointee</u>	<u>Alternate</u>
LAFCo	Evans Phelps	Duane Strawser
NCTC/Airport/NCTransit	Reinette Senum	Valerie Moberg
Solid Waste & Hazardous Waste	Duane Strawser	David Parker
Economic Resource Council	Duane Strawser	David Parker

Planning Commission Appointments

Council Member Senum appointed Skylar Moon.
Council Member Moberg appointed Steffen Snell.

City Council also directed staff to place two items on future City Council agendas: 1) One item to re-establish the Nevada City Recreation Committee and, 2) Information about structure and responsibilities of a possible Historic Preservation Committee.

[Type here]

9. CORRESPONDENCE:

10. ANNOUNCEMENTS:

11. CITY MANAGER'S REPORT:

City Manager Prestwich invited the community to participate in the August 2 National Night Out block party celebrating Police and community partnership from 6:00 p.m. to 8:00 p.m. on Broad Street near the National Hotel.

12. ADJOURNMENT – 8:19 p.m.

Evans Phelps, Mayor

ATTEST:

Niel Locke, City Clerk

REPORT TO CITY COUNCIL

City of Nevada City
317 Broad Street
Nevada City, CA 95959
www.nevadacityca.gov

August 10, 2016

TITLE: Status Report on NCFORWARD Economic Plan Goals and Objectives

RECOMMENDATION: Receive and file.

CONTACT: Mark Prestwich, City Manager

BACKGROUND / DISCUSSION: In mid-2015, the City Council approved implementation of NCFORWARD, a five-point strategy to promote Nevada City's economic vitality. The plan positions the City for accelerated business growth and prosperity by helping to create an environment where business thrives. Pursuing strategies to improve City revenue streams and drive staff efficiencies are also central themes and are intended to strengthen the City's financial position long-term. Further, the strategy acknowledges the key macro-level role the Nevada County Economic Resource Council (NCERC) plays on behalf of Nevada City and the region, and aligns the City's targeted economic growth strategies accordingly.

To date, significant progress has been made implementing NCFORWARD's goals and objectives. A summary of the plan's initiatives and their status are attached to this report.

ENVIRONMENTAL CONSIDERATIONS: Not applicable.

FISCAL IMPACT: Not applicable.

ATTACHMENTS:

- ✓ NCFORWARD Status Report
- ✓ NCFORWARD Plan

NCFORWARD STATUS REPORT

	Project/Program	Status
Implemented / Compete	Launch Sidewalk Cost-Sharing Program	City Council approved program on July 27, 2016.
	Initiate Creation of a Digital Business Portal	City implemented new website in early 2016 and built a Digital Business Portal.
	Evaluate Long-Term Funding Options to Support Strategic Economic Growth Opportunities	City Council approved an Economic Development Fund and a Community Support Program on September 23, 2015.
	Implement Monthly Business Walks with Chamber of Commerce	Implemented August 2015.
	Continue Measure S Paving/Maintenance	City continues to invest Measure S proceeds in street improvements annually.
	Simplify and Modernize 58-Year-Old Business License Tax	Approved by voters on June 7, 2016.
	Support NCERC Economic Development Efforts including development of a Digital Media/Arts Leadership Campus	City continues to support NCERC economic development efforts. NCERC has relocated to Nevada City and launched the Green Screen Institute to spur innovation in the emerging augmented reality/virtual reality markets.
In Progress	Secure Permanent Funding for Fire Station 54	City Council has placed Measure C on the November 2016 ballot.
	Urban Garden(s) Initiative/Eco-Tourism Town Hall	Town Hall planned for October 2016.
	Evaluate Parking Expansion Options	Study results planned for December 2016.
	Complete Preliminary Engineering for Planned Utility Undergrounding	Survey work is complete; preliminary engineering and design will begin soon; initial construction is anticipated to begin in late 2017.
	Implement Online Utility and Business License Payments	Staff is evaluating various online payment options.
	Conduct Community Survey	Results to be shared August 25, 2016.
	Convene Discussion on Historic District Plaques Program	Planned to be discussed by Planning Commission in September 2016
	Prioritize and Invest in Aging Water/Wastewater Infrastructure	Coastland Study underway; high level overview of results planned for Fall 2016
	Support Ultra High-Speed Broadband Deployment	City has provided letters of support and advocacy for Spiral Internet's planned fiber network.
	Enhance Trail Coordination & Partnership as an Economic Driver	Staff has identified a potential grant to fund coordination activities.
	Workforce Housing/HEW Building	Preliminary conversations have been held with property owner.
	Develop Sustainable Capital Improvement Plan Strategy	Pending completion of water/wastewater study.
	Convene NCFORWARD Advisory Task Force	Suggest modification to Town Hall workshop concept.
	Promote Catalyst Project Sites	City staff has held preliminary conversations with property owners of the National Hotel and Alpha Building; advocated for state funding of courthouse and discussed strategies to improve visibility of Nevada City Tech Center.

NC FORWARD

A 5-POINT STRATEGY FOR PROMOTING ECONOMIC VITALITY

June 2015

City of Nevada City
www.nevadacityca.gov

Credits and Acknowledgements

CITY COUNCIL

Terri Andersen, Mayor
Jennifer Ray, Vice Mayor
Robert Bergman, Council Member
Evans Phelps, Council Member
Duane Strawser, Council Member

CITY MANAGEMENT

Mark Prestwich, City Manager
Catrina Olson, Assistant City Manager

Produced in Collaboration with the
Nevada City Chamber of Commerce

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EXECUTIVE SUMMARY

In October 2014, the City Council and Planning Commission held a strategic planning retreat to discuss 3-year goals and 12-month strategic objectives for the City. Development and implementation of an economic development strategy to grow, retain and recruit Nevada City businesses emerged as a key priority.

Hundreds of thriving businesses call Nevada City home, from small boutiques to multi-million dollar enterprises, each contributing commerce, prosperity and vitality to the community. Most Nevada City businesses are located in one of several key commercial corridors:

- Historic Downtown
- Seven Hills Business District
- Nevada City Tech Center
- Light Commercial Corridors

The resulting 5-point strategy, branded NCFORWARD, will promote economic vitality and strengthen the City's public infrastructure, facilitate the delivery of key projects, create a business and digital-friendly civic environment, and engage citizens in a community-driven fashion. The strategy also acknowledges the key macro-level role the



Nevada County Economic Resource Council (NCERC) plays on behalf of Nevada City and the region, and aligns the City's targeted economic growth strategies accordingly.

NCFORWARD positions the City for accelerated business growth and prosperity by helping to create an environment where business thrives. Pursuing strategies to improve City revenue streams and drive staff efficiencies are central themes of NCFORWARD and will strengthen the City's financial position long-term.

A summary of the NCFORWARD strategy is highlighted on the next page.

STRATEGY AT A GLANCE

1. ENHANCE CITY'S PUBLIC INFRASTRUCTURE

- ✓ Launch Community Sidewalk Cost-Share Initiative
- ✓ Continue "Measure S" Paving/Maintenance on Nevada City streets
- ✓ Prioritize & invest in aging water/wastewater infrastructure
- ✓ Secure permanent funding for Fire Station 54 staffing
- ✓ Enhance trail coordination and partnership as an economic driver
- ✓ Develop sustainable Capital Improvement Plan (CIP) strategy
- ✓ Undergrounding utilities

2. PROMOTE CATALYST PROJECT SITES & PRIORITY INVESTMENT

OPPORTUNITIES

- ✓ Nevada County Courthouse
- ✓ Nevada City Tech Center
- ✓ Historic District Gateway Projects/Building Plaques Program
- ✓ Workforce Housing/HEW Building
- ✓ Urban Garden Initiative/Eco-Tourism
- ✓ Evaluate parking expansion opportunities
- ✓ Ultra high-speed broadband deployment
- ✓ Identify funding options to support strategic economic growth opportunities

3. CREATE BUSINESS & DIGITAL-FRIENDLY CITY SERVICES

- ✓ Simplify and modernize 58-year-old Business License Tax
- ✓ Create a digital business portal
- ✓ Implement online utility and business license payments
- ✓ Implement monthly Business Walks in collaboration with Chamber of Commerce

4. IMPLEMENT COMMUNITY-DRIVEN CITIZEN ENGAGEMENT

- ✓ Convene City Council-appointed 5-member NCFORWARD Advisory Task Force with City Manager as liaison to identify achievable strategies in key targeted areas for City Council consideration
- ✓ Conduct Community Survey for additional feedback

5. SUPPORT NCERC MACRO-LEVEL ECONOMIC DEVELOPMENT EFFORTS

- ✓ Development of the American Digital Media/Arts Leadership Campus
- ✓ Fab 5 "Action Team" business support services
- ✓ "Royal Welcome" tours targeted for relocation or expansion to Nevada County
- ✓ "Talent Connection" strategies connecting education and business
- ✓ Annual Regional Economic Development Summit

COMMUNITY PROFILE

The City of Nevada City is a small historic Mother Lode era community of approximately 3,000 residents nestled in the foothills of California's Sierra Nevada mountain range. Incorporated as California's 18th city on April 19, 1856, the community has changed little physically and aesthetically since the 1800s. The community's efforts to preserve its historic past have resulted in a National Register Historic District designation and a reputation as California's best-preserved Gold Rush town.



While Nevada City's historic past serves as a tremendous economic driver, the community boasts numerous other amenities that attract and promote commerce today.

As the county seat and home to the Nevada County Courthouse, Nevada City serves as Nevada County's governmental center. A maturing multi-use trail system in and adjacent to the town provides world-class vistas to avid cyclists, hikers and casual walkers alike.

The community is also home to the Nevada City Tech Center, a 45-acre mixed-use business development featuring available Class-A office/R&D space and expansion opportunities. The 150-year-old Nevada Theatre is the oldest existing theatre building on the west coast and continues to operate as a theatre in the historic downtown. The Miners Foundry Cultural Center, which used to serve the mines of the foothill region, hosts numerous cultural, educational and social events. Fine restaurants, diverse shopping opportunities, overnight accommodations, the Nevada County Narrow Gauge Railroad Museum, the Searls and Doris Foley historical libraries, and Firehouse Museum further contribute to Nevada City's reputation as a destination location.

Nevada City's numerous events, including the Nevada City Film Festival and the south Yuba River Citizens League's (SYRCL's) Wild and Scenic Environmental Film Festival, Victorian Christmas, and Nevada City Pro/Am Bicycle Classic contribute additional economic vitality to the community.

NEVADA CITY FINANCIAL PROFILE

While Nevada City has experienced gradual improvement in the local economy since the depth of the deep national recession, it's important to note that audited City General Fund revenues from the prior 2013/14 fiscal year remain lower than City revenues dating back to the 2005/06 fiscal year.

During the ensuing years, Nevada City experienced continued increases in City expenses including health care costs, and addressed these challenges partly by imposing furloughs on City employees and containing labor costs. While furloughs have been lifted, there remains a need to be cautious moving forward. The City faces significant long-term fiscal challenges including deferred infrastructure investments, a significant cost increase in the delivery of Fire services, increased pension obligations, and a need to establish a healthy General Fund reserve.

Nevada City's largest General Fund revenue sources are outlined below:

- **PROPERTY TAX.** City property tax revenues have been largely flat over the past four years and remain 3% lower than their peak in 2008/09. Property tax revenues represent the City's largest revenue source and account for approximately 32% of annual revenues. The City anticipates modest property tax revenue growth over the next few years.
- **SALES TAX.** Sales tax accounts for approximately 26% of annual revenue. Sales tax revenues remain flat and are projected to close the year lower than 2013/14 fiscal year revenues. This is partially due to the recent departure of a large technology firm, one of the City's largest sales tax generators. At one time, the firm accounted for approximately 50% of annual General Fund sales tax revenue. The City's sales tax revenue is also compromised by the continued vacancy of several commercial properties.
- **TRANSIENT OCCUPANCY TAX.** The City's Transient Occupancy Tax (TOT) accounts for approximately 8% of annual City revenue. TOT revenue dropped significantly during the recession, due in part to the conversion of 25 hotel rooms to senior long-term care housing in 2008. Revenues remain well below historic levels and are not anticipated to grow measurably until additional hotel rooms are added in the City.

STRATEGY 1: ENHANCE CITY'S PUBLIC INFRASTRUCTURE

This chapter discusses the first of five strategies to promote economic vitality in Nevada City: *Enhancing the City's Public Infrastructure*. Business and commerce rely on quality public infrastructure to transport goods, convey water and wastewater, provide safe pedestrian connectivity, and police and fire protection to the community. Investments in these assets improve public safety and position the City for business investment by ensuring the City's critical infrastructure meets the community's needs. Seven specific programs are recommended to move Nevada City forward.

A. LAUNCH COMMUNITY SIDEWALK COST-SHARING INITIATIVE

California state law and the City's municipal code require property owners to maintain and repair sidewalks. The maintenance and management of sidewalks can require a significant outlay of resources.

Some communities have established cost-sharing programs to make it easier and less expensive for property owners to comply with requirements to keep their sidewalks free of defects. These types of programs typically accelerate sidewalk repairs, resulting in a betterment of the community and an improvement in the City's infrastructure.

The development of a Community Sidewalk Initiative cost-sharing program will provide partial reimbursement for the replacement of defective sidewalks, subject to available City funding and criteria developed for the program. Nevada City will soon be conducting a sidewalk inventory and condition assessment to identify needed investments that will assist with development of a cost-sharing program in 2016.

B. CONTINUE MEASURE "S" PAVING/MAINTENANCE OF CITY STREETS

Measure "S" is a ½ cent sales tax approved by Nevada City voters in 2006 to repair deficient City streets, including sidewalks, pathways and street drainage. The measure was approved with 80% support. Since repairs began in 2007, the City has invested \$4 million in street overlays and improvements. As the City completes initial pavement street repair projects contemplated by Measure "S", asphalt overlays and maintenance efforts will be initiated to ensure the community's investment in this essential infrastructure is protected.

C. PRIORITIZE & INVEST IN AGING WATER/WASTEWATER INFRASTRUCTURE

In late 2014, the City Council established 3-year organizational goals including a desire to improve the City's aging infrastructure. Conducting a comprehensive condition assessment of water and wastewater needs and initiating development of a 5-year water/wastewater capital improvement plan was identified as a key City Council objective.

Some of the City's water and wastewater infrastructure used today is more than 100 years old and in need of replacement. For many years, the City's water/wastewater systems have operated without a comprehensive strategy to assess system conditions and prioritize repairs. Replacing an asset too late can lead to expensive, emergency repairs that are significantly more expensive than those that are pre-planned.

Historically, the City has underinvested in the ongoing need to maintain and renew system assets. This has been due in part to the limited availability of resources, but also the lack of comprehensive infrastructure planning. During fiscal year 2015/16, it is recommended the City utilize 3rd-party engineering resources to perform a condition assessment of system assets, prioritize investments/repairs, and develop a 5-year CIP strategy for implementation by July 1, 2016.

D. SECURE PERMANENT FUNDING FOR FIRE STATION 54 STAFFING

For more than 11 years, Fire Station 54 has been co-staffed by the Consolidated Fire District and Nevada City. Each agency provided three firefighters to the City-built and equipped station; the City pays for three additional interns that complete staffing and facilitate the ability to deliver fire services cost-effectively. The station is one of seven stations in a Joint Operational Area (JOA) that includes Grass Valley, along with Nevada City and the Consolidated Fire District. By working together, the agencies maximize coverage area and improve response times.

The station provides important fire and emergency response services to the City of Nevada City as well as the City of Grass Valley and Consolidated Fire District. In 2014, for example, the Station 54 responded to 994 calls for service: 371 in the Consolidated Fire District Territory, 340 in the City of Grass Valley and 283 in the City of Nevada City.

Citing financial difficulties, the Consolidated Fire District decided to remove their three firefighters from Station 54 on April 19, 2014. This left the City with the challenge of how to operate a station with only half of the needed full-time personnel. Because the City's budget is small and its revenue resources limited, the departure of these three Consolidated Fire District staff is a significant loss. The City estimates the annual cost to replace these firefighters is \$268,000. Given the City's current budget, it is not possible for the City's General Fund to absorb what amounts to a 48% increase to the City's Fire Department budget without new sustainable funding.

Passage of a measure on the June 2016 ballot will provide the funding necessary to restore the station to full-time operation. Moreover, a fully operational Station 54 improves

the City's Insurance Service Office (ISO) rating and will sustain and/or lower current insurance rates that are at risk of increasing if the station does not return to full-time operations within a year.

E. ENHANCE TRAIL COORDINATION & PARTNERSHIP AS AN ECONOMIC DRIVER

Several studies have documented the positive economic impact trails have on communities. In addition to enhancing property values, trails produce per visit expenditures by patrons for durable goods and consumable items including food, lodging, transportation and recreation specific clothing and equipment.



The Nevada City Chamber of Commerce reports an increasing number of visitors are seeking information about local trails, including the location of the new Nisenan Bridge on the Tribute Trail over Deer Creek dedicated October 28, 2014. More can be done to improve trail coordination, awareness and stewardship.

At a recent meeting of trail interests, it was discovered that at least six different maps of local trails existed. Complicating matters was the fact that different maps used different naming conventions for the same trail. Enhancing trail coordination and partnership among volunteer organizations will provide the opportunity to collaborate on single mapping solutions and a host of other opportunities. Grant funds exist to secure assistance in enhancing trail coordination and it is recommended the City pursue funding for such an effort.

F. DEVELOP SUSTAINABLE CAPITAL IMPROVEMENT PLAN STRATEGY

Cities should develop a capital improvement plan that identifies their priorities and time frame for undertaking capital projects as well as a financing plan for projects. Because the cost of desired capital projects generally substantially exceeds available funds in most agencies, the development of a capital improvement plan will provide a framework for prioritizing projects and identifying funding needs and sources.

Nevada City's capital assets are the physical foundation of the City's service delivery and estimated to have a value exceeding \$24 million. The City owns and is responsible for maintaining a variety of facilities, ranging from recreational assets like the City swimming pool to public buildings like City Hall and Seaman's Lodge. Nevada City also has an extensive network of trails and other protected open spaces. The City owns and maintains an expansive network of infrastructure, including 20 miles of streets, a water and wastewater system, three elevated water tanks and a water reservoir. Lastly, the City owns a fleet of 26 vehicles and inventory ranging from a variety of public works assets to police and fire communication systems.

With the passage of Measure “S”, the City has substantially increased its investment in critical street and sidewalk infrastructure. Likewise, Measure “L” has improved the City’s ability to address critical shortcomings in building maintenance, vehicle replacement, software upgrades, and to establish City reserves. However, current projections suggest Measure “L” funding does not allow the City to keep up with current capital investment requirements and community/organizational needs. Without the renewal of these critical measures, the City will be left without the resources necessary to invest in capital assets leading to their eventual deterioration over time.

In order for the City to properly sustain the community’s capital assets, it is imperative the City eventually remove the sunset provisions associated with each measure in order to assure sustainable funding into the future. While there may be some ability to reduce the Measure “S” tax rate slightly, no reduction in rate is recommended for Measure “L”.

G. UNDERGROUNDING UTILITIES

Nevada City has successfully transitioned many overhead electrical and communication lines underground using Rule 20A funds, dramatically improving streetscapes. In 2012, the City Council prioritized three additional undergrounding projects to be completed upon available funding:

1. The Broad Street Y
2. Sacramento Street from the Broad and Boulder intersection; and
3. Coyote Street

The City’s Rule 20A fund today has over \$500,000 available to fund undergrounding projects. The City will initiate preliminary engineering and design by July 2016 to prepare the next projects for construction.

STRATEGY 2: PROMOTE CATALYST PROJECT SITES & PRIORITY INVESTMENT OPPORTUNITIES

There are several key project sites and priority investment opportunities in Nevada City that present the opportunity to diversify the City's economic base, create and retain jobs, and expand prosperity. Expanding economic vitality in retail, commercial and industrial areas will contribute to a financially stable city, a vibrant school system and enhanced property values.

Promoting these sites and opportunities will take several forms:

1. Profile space on the City's redesigned business portal website.
2. City sponsorship and pursuit of grants to assist projects/investments.
3. Development of promotional marketing videos for key projects.
4. Creation and deployment of a digital marketing strategy.

Key project sites and investment opportunities are summarized below:

A. NEVADA COUNTY COURTHOUSE

The Nevada County Courthouse project represents a near-term opportunity to redevelop the existing courthouse site. Phase II of a "Reuse, Renovation and Expansion of the existing Nevada County Courthouse" study to establish the merit, issues and costs of renovating the Courthouse on site is underway now.

The City expects the study will confirm renovation of the existing building will provide substantial cost-savings to the State of California. The estimated \$65 million Nevada County Courthouse project will require preliminary engineering and design work prior to commencement of construction.

This project represents an opportunity to retain a vital economic and historic property critical to the financial health and vitality of the Historic District.



B. NEVADA CITY TECH CENTER

The Nevada City Tech Center, a 112-acre mixed-use, environmentally-friendly business development featuring available Class-A office/research and development (R&D) space presents numerous opportunities for expansion and job creation. The development has approval for 210,000 feet of commercial space. Approvals have also been secured for The Grove, an adjacent development of 59 homes.



C. HISTORIC DISTRICT GATEWAY PROJECTS / BUILDING PLAQUES PROGRAM

Two buildings serve as gateway anchors to Nevada City's historic Broad Street: the Alpha Building located at 210 Broad Street and the National Hotel located at 211 Broad Street. Both buildings are listed on the National Register of Historic Places.

The Alpha Building and National Hotel are poised for a renaissance and present opportunities for investment. Improvements to each building will contribute to the historic preservation of the community as well as yield economic impacts felt throughout the Historic District. The City is prepared to facilitate review of planned improvements and to assist with access to historic preservation grant funding if desired.

Additionally, many communities have established Historic Building Plaque Programs to enhance historic tourism. While several plaques exist today in Nevada City attracting the attention of visitors and locals, a community investment in establishing such a program could have a tremendous impact on economic vitality. The City Council will convene a discussion by March 2016 on community interest in establishing a Historic Building Plaques Program.

D. WORKFORCE HOUSING/HEW BUILDING

The former Nevada County Hospital/HEW building on Willow Valley Road consists of three, three-story wings and one tall, one-story building which most recently housed the County Election Department in the late 1990s. The total square footage is approximately 35,000, located on two parcels totaling 12.06 acres. The property is within the City's sphere of influence but has not yet been annexed. The City of Nevada City has already provided an active sewer connection to the property. Water is provided by NID. The HEW site presents an opportunity for additional workforce housing to support local job growth.

E. URBAN GARDEN INITIATIVE/ECO-TOURISM

Nevada City has a rich agricultural history. Felix Gillet, renowned as the father of most of the perennial crop agriculture in California and the Western United States, settled in Nevada City in 1859 and later served two terms on the Nevada City Council. Today, the nearby Felix Gillet Institute is dedicated to carrying on his legacy.

One of the emerging strengths of Nevada City is the availability and production of organic and raw foods. Today, many local restaurants feature organic and raw food, as well as locally-sourced ingredients. The success of the Nevada City Farmers Market and Farm to Table Banquet are further testaments to the strength of local agriculture.

A number of communities have identified an opportunity to foster economic growth by encouraging more local urban food production. Uniting agriculture with community promotes healthy food choices, good health and spurs economic growth through entrepreneurship and eco-tourism. They may also be synergies with healing art services.

The City will convene a town hall forum within 12 months with interested parties and a panel of urban farmers to explore the potential for the creation of Urban Garden(s) in Nevada City and the prospect of fostering eco-tourism, potentially in collaboration with the Felix Gillet Institute.

F. EVALUATE PARKING EXPANSION OPPORTUNITIES

Nevada City has three municipal parking lots and metered on-street parking throughout its Historic District. However, parking remains limited and presents challenges for visitors and residents alike on a daily basis and specifically during larger community events.

The City collects a parking in-lieu fee from projects that are unable to provide some or all of their on-site parking spaces. The fund has now accumulated approximately \$161,500. City staff will provide the City Council with parking expansion options and a summary of estimated costs and funding strategies by December 2016.

G. ULTRA HIGH-SPEED BROADBAND DEPLOYMENT

Bandwidth demand is increasing significantly and consumers without access to faster and more affordable broadband services find themselves at a competitive disadvantage. Therefore, securing deployment of ultra high-speed broadband to Nevada City homes and businesses is critical to the economic prosperity of consumers and merchants.

Communities connected by broadband enjoy more economic opportunities, higher property values, lower utility bills, greater safety and security, improved healthcare and enhanced education. The City will support efforts to secure ultra high-speed broadband in Nevada City, and attract and retain a creative, talented, educated and technically qualified workforce.

H. IDENTIFY LONG-RANGE FUNDING OPTIONS TO SUPPORT STRATEGIC ECONOMIC GROWTH OPPORTUNITIES

Nevada City is occasionally confronted with opportunities to support and/or host events and programming that promote the City, attract visitors, and/or make strategic economic investments in the community. Recent examples include the Digital Media Campus and Amgen Tour of California.

Establishing a fund that is available to support these strategic economic growth opportunities will improve the City's ability to leverage a small investment into the possibility of larger or longer-term economic growth. The City will identify long-range funding options to support strategic economic growth opportunities by December 2015.

STRATEGY 3: CREATE BUSINESS & DIGITAL-FRIENDLY CITY SERVICES

One of the most important things a City can do to encourage business investment is to ensure it is business-friendly. Several initiatives have been identified that will improve the City's ability to deliver business and digital-friendly services.

A. SIMPLIFY & MODERNIZE THE CITY'S 58-YEAR-OLD BUSINESS LICENSE TAX

The City's Business License Tax was last updated in 1957 and is comprised of more than 30 different methodologies for calculating a business license. Because the license allows for quarterly payment and requires pro-rating if a prospective business does not open precisely on July 1, the City invests a significant amount of time processing paperwork that could be automated if it were simplified.

Simplifying the Business License Tax to 3 or 4 categories will facilitate development of an online payment and renewal option. Because of the efficiencies gained by a digital payment option, it is anticipated an updated Business License Tax will be able to be more affordable when adjusted for inflation than it was in 1993. Placement of a measure on the June 2016 ballot simplifying and modernizing the Business License Tax will allow the City to implement a digital payment option by the end of 2016.

B. CREATE A DIGITAL BUSINESS PORTAL

A city's website is today's 24-hour business portal for residents and visitors alike. Websites serve as a force-multiplier by augmenting staff capabilities and providing seamless service. Unfortunately, the current Nevada City website utilizes an outdated form of Drupal which is no longer supported. The City will begin modernizing its website (www.nevadacityca.gov) later this summer which will provide staff with a user-friendly content management system (CMS) and customers with responsive design for mobile devices, and significantly more information and services.

As part of this update, the City will create the Nevada City Digital Business Portal to provide prospective businesses with information to succeed. The Digital Business Portal will provide steps to start a business, the ability to secure the City's business license tax online, learn about permits, economic development incentives, and additional information on conducting business in Nevada City.

C. IMPLEMENT ONLINE UTILITY AND BUSINESS LICENSE PAYMENTS

Nevada City customers desire an opportunity for an option to pay their utility bills online. Providing online payment portals for utility bills and business license payments (assuming voters approve a simplified structure) will create numerous staff efficiencies and reduce paperwork. A modest investment to add the payment module to the existing financial system is necessary for the City to implement online utility payments.

D. IMPLEMENT MONTHLY BUSINESS WALKS IN COLLABORATION WITH THE CHAMBER OF COMMERCE

The implementation of a Business Walk program presents an opportunity to check the pulse of local business and establish relationships with business owners. Typically, participants in a Business Walk would consist of the Mayor, City Manager, and other civic leaders including the Chair of the Nevada City Chamber of Commerce and Executive Director. The conversation would be focused on three basic questions:

- 1) How is business?
- 2) What do you like about doing business in the community?
- 3) What can be done to improve business?

Inevitably, the City will learn about opportunities for service delivery improvement. The Chamber of Commerce may be able to increase membership through this outreach as well, which is similar to their former Ambassador Program. Post-event reports will be prepared and shared with the City Council.

STRATEGY 4: IMPLEMENT COMMUNITY-DRIVEN CITIZEN ENGAGEMENT

Nevada City is a community of tremendous talent, energy and creativity. The purpose of this strategy is to harness the community's thinking and seek advice/innovation in formulating affordable and achievable economic growth solutions. Two specific citizen engagement efforts are designed to provide the City Council with actionable ideas and information. These efforts will occur concurrently resulting in an opportunity for the City Council to evaluate, prioritize and consider implementing some or all of the citizen-driven ideas.

A. ESTABLISH NCFORWARD ADVISORY TASK FORCE TO IDENTIFY ACHIEVABLE ECONOMIC STRATEGIES IN KEY TARGETED AREAS

The design of this strategy is to identify 3 to 5 subjects the City Council would like additional community thinking on that provide an opportunity to enhance economic growth. Examples may include regional marketing and promoting, volunteerism, arts, eco-tourism, vacant building promotion, events, beautification and cleanliness, etc.

A 5-member NCFORWARD Task Force comprised of City Council appointees will be tasked with studying each subject and issuing a report with recommendations for consideration by the City Council within 6 months. As a Council-created body, the Task Force will conduct open, public meetings in accordance with the Brown Act. The City Manager will be designated as a liaison to the Task Force and attend and facilitate meetings.

Recommendations endorsed by the NCFORWARD Task Force should meet the following criteria:

- ✓ Provide economic benefit to Nevada City.
- ✓ Be achievable within 1 year.
- ✓ Have limited cost or no cost (or an identifiable funding source).
- ✓ Enjoy broad-based support.

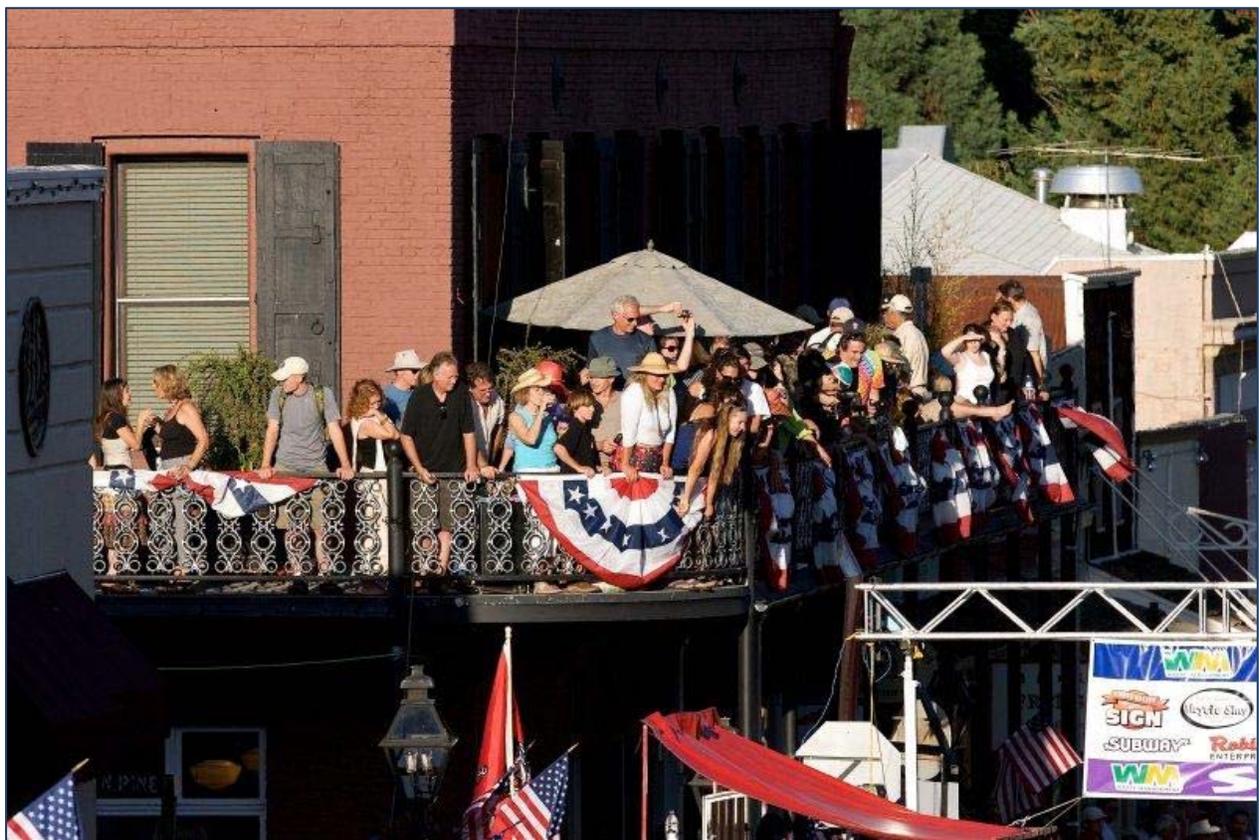
City staff will facilitate a City Council dialogue regarding the establishment of the NCFORWARD Task Force, its members and subject matter topics by October 2015.

B. CONDUCT COMMUNITY SURVEY FOR ADDITIONAL FEEDBACK

Community surveys are an important data-gathering technique for local public officials. Nevada City residents participated in such a survey in 2007 providing comprehensive feedback on various City issues. Other communities have participated in the National Citizen Survey that measures public opinion in eight key areas of community livability.

One of the first things a community must do before it conducts a survey is to agree on the answer to the question: What do we want to learn? Having an idea of how the City intends to utilize the results is also necessary.

City staff will convene a City Council discussion about survey approaches by February 2016.



STRATEGY 5: SUPPORT NCERC MACRO-LEVEL ECONOMIC DEVELOPMENT EFFORTS

The mission of the Nevada County Economic Resource Council (NCERC) is to enhance the economic vitality of Nevada County by supporting the retention, creation and attraction of quality jobs, while retaining the region’s unique lifestyle. Nevada City acknowledges and supports the NCERC’s macro-level economic development efforts including the following key initiatives:

- ✓ Development of the American Digital Media Leadership Campus
- ✓ Fab 5 “Action Team” business support services
- ✓ “Royal Welcome” tours targeted for relocation or expansion to Nevada County
- ✓ “Talent Connection” strategies connecting education and business
- ✓ Annual Regional Economic Development Summit

NCFORWARD IMPLEMENTATION

TIME TABLE	PROJECT/PROGRAM
2015	Launch Sidewalk Cost-Sharing Program
	Prioritize and Invest in Aging Water/Wastewater Infrastructure
	Initiate Creation of a Digital Business Portal
	Evaluate Long-Term Funding Options to Support Strategic Economic Growth Opportunities
	Implement Monthly Business Walks with Chamber of Commerce
2016	Secure Permanent Funding for Fire Station 54
	Enhance Trail Coordination & Partnership as an Economic Driver
	Develop Sustainable Capital Improvement Plan Strategy
	Convene Discussion on Historic District Plaques Program
	Urban Garden(s) Initiative/Eco-Tourism Town Hall
	Evaluate Parking Expansion Options
	Complete Preliminary Engineering for Planned Utility Undergrounding
	Simplify and Modernize 58-Year-Old Business License Tax
	Implement Online Utility and Business License Payments
	Convene NCFORWARD Advisory Task Force
Ongoing	Continue Measure S Paving/Maintenance
	Promote Catalyst Project Sites
	Support Ultra High-Speed Broadband Deployment
	Support NCERC Economic Development Efforts including development of a Digital Media/Arts Leadership Campus

REPORT TO CITY COUNCIL

City of Nevada City
317 Broad Street
Nevada City, CA 95959
www.nevadacityca.gov

August 10, 2016

TITLE: Authorize Members of the City Council to Submit an Argument in Favor of the November 8, 2016 Special Tax Ballot Measure

RECOMMENDATION: Pass Resolution 2016-XX authorizing one or more members of the City Council to submit the City's argument in favor of the proposed "Nevada City Fire and Police Transactions and Use Tax Ordinance" special tax ballot measure on November 8, 2016.

CONTACT: Mark T. Prestwich, City Manager

BACKGROUND / DISCUSSION: As provided in California Elections Code Section 9287, if more than one argument for or against a measure is submitted to the City Clerk, then the Clerk shall select only one argument for and one argument against the measure for printing in the official sample ballot. In selecting the argument, the City Clerk shall give preference and priority in the following order:

1. The legislative body, or a member or members of the legislative body authorized by that body;
2. The individual voter, or bona fide association of citizens, or combination of voters and associations, who are the bona fide sponsors or proponents of the measure;
3. A bona fide association of citizens; or
4. Individual voters who are eligible to vote on the measure.

Adopting a resolution authorizing one or more members of the City Council to submit the City's argument ensures that the City Council's argument will be selected for inclusion in the official sample ballot.

ENVIRONMENTAL CONSIDERATIONS: Not applicable.

FISCAL IMPACT: Not applicable.

ATTACHMENTS:

- Proposed Resolution 2016-XX

RESOLUTION 2016-XX

A RESOLUTION OF THE CITY OF NEVADA CITY AUTHORIZING ONE OR MORE MEMBERS OF THE CITY COUNCIL TO SUBMIT THE COUNCIL'S WRITTEN ARGUMENT IN FAVOR OF THE PROPOSED NEVADA CITY FIRE AND POLICE SPECIAL TAX TO THE VOTERS AT THE CONSOLIDATED ELECTION ON TUESDAY, NOVEMBER 8, 2016

WHEREAS, on June 22, 2016, the City Council adopted a resolution ordering a to be submitted to the voters at the consolidated election to be held on November 8, 2016.

WHEREAS, the City Council desires to submit an argument for inclusion in the official sample ballot.

NOW, THEREFORE, BE IT RESOLVED that the City of Nevada City:

Section 1. The City Council hereby authorizes _____ to file a written argument in favor of the measure.

Section 2. The argument is to be prepared in accordance with the California Elections Code and the Election Official's printing guidelines.

PASSED AND ADOPTED at the regular meeting of the City Council of the City of Nevada City on the 10th day of August, 2016, by the following vote:

AYES:

NOES:

ABSENT/ABSTAIN:

Evans Phelps, Mayor

Niel Locke, City Clerk