



**City of North Royalton**  
Mayor Robert A. Stefanik  
**Finance Department**

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**Eric R. Dean**  
Director of Finance  
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November 17, 2015

The Honorable Sherrod Brown  
713 Hart Office Building  
Washington, DC 20510

Dear Senator Brown:

As the Finance Director for the City of North Royalton, I write to urge you to consider supporting S. 1802, the Consumer Financial Choice and Capital Markets Protection Act of 2015.

As an Ohio municipality, North Royalton relies upon money market funds (MMF) for its cash management and capital needs. A MMF is a type of mutual fund that is a safe and convenient, capital markets cash management vehicle. A fundamental attribute of a MMF is a stable net asset value of typically \$1.00 per share.

The Securities and Exchange Commission (SEC) recently issued a rule requiring MMF's to abandon the stable \$1.00 net asset value (NAV) and "float" their per-share price. This shift to a floating NAV takes effect in October 2016. The switch to a floating NAV is causing many investment funds to announce their exit from the MMF market. This is an important market development for many municipalities because MMF are the largest categorical purchasers of tax-exempt debt.

Without MMF North Royalton will face increased costs to finance projects. This means increased borrowing costs associated with the city's plans for a new city hall and YMCA. Moreover, the SEC rule will jeopardize North Royalton's cash management options as MMFs provide a useful tool to manage cash flow and invest short-term surplus cash in a safe liquid fund.

It is my understanding that S. 1802 will remedy the negative impact of recent changes that the SEC made to MMF. As such, I hope that you will consider supporting S. 1802. Thank you for your consideration of this request.

Sincerely,

Eric Dean

Finance Director, City of North Royalton