

**CITY OF LOS ANGELES
BOARD OF DEFERRED COMPENSATION ADMINISTRATION**

ADOPTED MINUTES
REGULAR MEETING OF JANUARY 17, 2023
CONDUCTED VIA TELECONFERENCE

BOARD MEMBERS

Present:

Thomas Moutes, Chair
Neil Guglielmo, Vice-Chair
Robert Schoonover, First Provisional Chair
Joshua Geller, Third Provisional Chair
Dana H. Brown
Joseph Salazar
Baldemar J. Sandoval

Not Present:

Jeremy Wolfson, Second Provisional Chair
Linda P. Le

PERSONNEL DEPARTMENT STAFF

Paul Makowski, Chief Management Analyst
Esther Chang, Senior Personnel Analyst II
Mindy Lam, Benefits Analyst
Eric Lan, Benefits Analyst

OFFICE OF THE CITY ATTORNEY

Charles Hong, Deputy City Attorney IV

MERCER INVESTMENT CONSULTING

Devon Muir, Principal
Ana Tom-Chow, Associate

VOYA FINANCIAL

Deirdre Jones, Vice President, Strategic Relationship Management
Kelly Montgomery, Client Relationship Manager

1. CALL TO ORDER

Mr. Moutes called the meeting to order at 9:02 a.m.

2. PUBLIC COMMENTS

There were no public comments.

3. MINUTES

Board Member Comments/Questions & Responses:

There were no comments or questions from the Board.

Board Action:

A motion was made by Mr. Guglielmo and seconded by Mr. Salazar, to approve minutes of the December 20, 2022, special Board meeting; the motion was adopted by approval of six Board members (Brown, Geller, Guglielmo, Moutes, Salazar, and Sandoval); one Board member was not present at the time of voting (Schoonover).

4. BOARD REPORT 23-01: DETERMINATION REGARDING TELECONFERENCING OPTION FOR BOARD MEETINGS PURSUANT TO ASSEMBLY BILL 361

Presentation Highlights:

Ms. Chang introduced the report and provided the following highlights:

- The COVID-19 transmission level for the County of Los Angeles was reported as “High” at the time of the meeting.

Board Member Comments/Questions & Responses:

There were no comments or questions from the Board.

Board Action:

A motion was made by Mr. Salazar and seconded by Mr. Guglielmo, that the Board adopt the attached Resolution and find, pursuant to Section 54953(e)(1)(B)-(C) of the California Government Code, as amended by Assembly Bill (AB) 361, that due to the ongoing COVID-19 State of Emergency (COVID Emergency) proclaimed by the Governor on March 4, 2020, conducting Board meetings in person without continuing to provide a teleconference and/or videoconference option for the Board members and the public, would present imminent risks to the health or safety of attendees; the motion was adopted by approval of six Board members (Brown, Geller, Guglielmo, Moutes, Salazar, and Sandoval); one Board member was not present at the time of voting (Schoonover).

5. BOARD REPORT 23-02: 2023 TRAVEL AND TRAINING PROGRAM

Presentation Highlights:

Ms. Lam and Ms. Chang introduced the report and provided the following highlights:

- The Board previously approved moving the travel and training program to a calendar year basis to align with the plan budget.
- The location for the NAGDCA conference will be in Seattle, Washington, and IFEBP Annual Conference will be in Boston, Massachusetts.
- Total travel and training program budget is \$35,000, increased from the prior year’s budget of \$20,000 to account for more in-person training and additional positions.

Board Member Comments/Questions & Responses:

Mr. Guglielmo inquired about the travel and training budget prior to the COVID-19 pandemic. Ms. Chang noted that the budget in 2019 and 2020 was around \$33,000, and staff is recommending that the Board revert back to those amounts. Mr. Moutes noted that the increased budget allows for more in-person training opportunities and the reversion to pre-pandemic levels is reasonable.

Board Action:

A motion was made by Mr. Guglielmo and seconded by Mr. Salazar, that the Board: (a) approve the proposed 2023 Training & Travel Program; and (b) complete and submit the Training Interest Form (Attachment C) to DCP staff; the motion was unanimously adopted.

6. BOARD REPORT 23-03: DEFERRED COMPENSATION PLAN BUDGET ADOPTION FOR PLAN YEAR 2023

Presentation Highlights:

Ms. Chang introduced the report and provided the following highlights:

- The proposed budget estimates total annual revenue of \$3,262,837 and total annual expenditures of \$3,402,480.
- Estimated fees include participant administrative fees owed to the Third-Party Administrator, staffing reimbursements, consulting costs, communications, increased costs for travel and training, administration of the election for Active LACERS and LAFPP Representative seats in 2023, and administrative costs.
- Plan audit fees are recommended to be carried over into 2023 in the event that staff is able start progress on the project.

Board Member Comments/Questions & Responses:

There were no comments or questions from the Board.

Board Action:

A motion was made by Mr. Schoonover and seconded by Mr. Guglielmo, that the Board adopt the proposed Deferred Compensation Plan budget for Plan Year 2023; the motion was unanimously adopted.

7. BOARD REPORT 23-04: 2023 DEFERRED COMPENSATION PLAN INITIATIVES

Presentation Highlights:

Ms. Chang introduced the report and provided the following highlights:

- Staff completed five projects, suspended three projects, and have three projects currently in progress.
- Staff will carry over the three projects in progress to calendar year 2023.
- The new projects include:
 - Establish a Resource and Facility Plan for DCP Staff
 - Internal Process Review and Documentation

- Implementation of 2023 Participant Outcome Goals and Strategies and Communications Calendar

Board Member Comments/Questions & Responses:

Mr. Guglielmo requested an update on the recruitment of a DC Plan Manager. Ms. Chang noted that staff is planning to move forward with scheduling an ad hoc committee meeting to review the project timeline with Partners in Diversity (PID), with an estimated 2.5-month target completion date. Mr. Moutes asked if staff will update PID on the Board's and staff's prior progress with recruitment. Ms. Chang confirmed.

Mr. Moutes noted that the DCP facility plan is a priority. Mr. Guglielmo indicated that a possible City-wide telecommuting policy may be released soon and may open up more shared space for staff. Mr. Moutes asked if the policy will apply to all departments. Mr. Guglielmo stated that it applies to all departments and will need further discussions between the Office of the City Administrative Officer (CAO) and labor organizations.

Board Action:

A motion was made by Mr. Guglielmo and seconded by Mr. Schoonover, that the Board approve: (a) the proposed 2023 Deferred Compensation Plan Strategic Initiatives, with any revision as directed; and (b) that staff provide quarterly progress reports on the 2023 Strategic Initiatives; the motion was unanimously adopted.

8. BOARD REPORT 23-05: 2022 DCP BOARD AND MEETING ATTENDANCE

Presentation Highlights:

Mr. Lan introduced the report and provided the following highlights:

- Staff reports annually on Board and Committee meeting attendance.

Board Member Comments/Questions & Responses:

There were no comments or questions from the Board.

9. BOARD REPORT 23-06: 2022 BOARD MEMBER AND ANNUAL TRAINING REVIEW

Presentation Highlights:

Ms. Lam introduced the report and provided the following highlights:

- Training required by the Board will be or has already been assigned to the Board for 2023.
- Of the \$20,000 budgeted for 2022, to date, \$6,018.04 has been spent.

Board Member Comments/Questions & Responses:

There were no comments or questions from the Board.

10. BOARD REPORT 23-07: DEFERRED COMPENSATION PLAN PROJECTS AND ACTIVITIES REPORT: DECEMBER 2022

Presentation Highlights:

Mr. Lan and Ms. Chang introduced the report and provided the following highlights:

- SECURE 2.0 Act was passed and signed into law by President Biden on December 29, 2022. Several key provisions are:
 - There will be an increase in the age for Required Minimum Distributions.
 - Age-based catch-up contributions will be required to be Roth (after-tax) for those who have an income of \$145,000 in the prior year, beginning in 2024.
- The DCP will have a DCP Board election for Active LACERS and Active LAFPP Representative seats in May 2023 according to the DCP Elections Policies and Procedures.
- Schwab Self-Directed Brokerage Accounts Minimum Balance process was completed and staff will review the process.
- Staff has begun work on the 2023 Participant Outcomes Goals and Strategies and is preparing to launch an enrollment campaign in January.

Board Member Comments/Questions & Responses:

Mr. Geller asked whether the LACERS Board is also holding an election in 2023 and requested that staff look into communications techniques to help participants avoid confusion. Mr. Guglielmo confirmed that there will be a LACERS Board election for its Active Employee Representative and offered to work with staff on messaging to avoid confusion.

11. REQUESTS FOR FUTURE AGENDA ITEMS

There were no requests for future agenda items.

12. NEXT MEETING DATE

A regular meeting was noted for February 21, 2023, at 9:00 a.m.

13. ADJOURNMENT

The meeting was adjourned at 9:34 a.m.

Minutes prepared by staff member Eric Lan.