



## Board of Deferred Compensation Administration (Board)

### Regular Meeting Agenda

December 21, 2021

9:00 a.m.

In conformity with State of California Assembly Bill 361 and the Governor's Executive Order N-15-21 (issued September 20, 2021), which continues to remain in effect, and due to continued concerns over COVID-19, this meeting of the Board will be conducted via teleconference only. Members of the public desiring to speak on an agenda item should inform the Board Chairperson upon the Chairperson's request for public comment. Upon recognition by the Chairperson, speakers should identify themselves and limit comments to the specific agenda item. **Any person wishing to observe the Board meeting or address the Board in public comment must call (669) 900-6833, enter access code 853 3072 7001#, and then press # again. In order to make public comments, please press \*6 to unmute and speak when prompted.**

#### Board of Deferred Compensation Administration

**Thomas Moutes**  
*Chairperson*

**Raymond Ciranna**  
*Vice-Chairperson*

**Robert Schoonover**  
*First Provisional Chair*

**Neil Guglielmo**  
*Second Provisional Chair*

**Joshua Geller**  
*Third Provisional Chair*

**Linda P. Le**

**Wendy G. Macy**

**Baldemar J. Sandoval**

**Jeremy Wolfson**

### Introductory

#### (1) Call to Order

Members of the Board will be attending the meeting by teleconference pursuant to Assembly Bill 361 and the Governor's executive order n-15-21 (September 20, 2021).

#### (2) Public Comments

### Administrative Items

#### (3) Minutes – Recommendation to approve: (a) minutes of the November 16, 2021 regular meeting; and (b) minutes of the December 15, 2021 special meeting of the Board.

#### Notice to Paid Representatives

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#### Notes:

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- (4) **Board Report 21-61: Determination Regarding Teleconferencing Option for Board Meetings Pursuant to Assembly Bill 361** – Recommendation that the Board find and adopt the attached Resolution and, 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.
- (5) **Board Report 21-62: Selections for DCP Actively Managed Mandates: Small-Cap Value Equity (tentative), Small-Cap Growth Equity (tentative), Core Plus Fixed Income (tentative), Mid-Cap Value and Mid-Cap Growth Equity (final)** – Recommendation that the Board: (a) tentatively approve selection of the Columbia Threadneedle Small-Cap Growth Equity Fund and the Neuberger Berman Active Small-Cap Value Equity Fund, both collective investment trusts, as components of the Deferred Compensation Plan Small-Cap Fund, subject to final negotiation with firm providers with respect to their fee proposals; (b) tentatively approve selection of the Manulife Investment Management Core Plus Fixed Income Fund, a collective investment trust, as a component of the Deferred Compensation Plan Bond Fund, subject to final negotiation with the firm provider with respect to its fee proposal; (c) request that staff report back on the results of negotiations with all three tentatively selected firms prior to providing specific direction regarding the contract awards; (d) finalize its approval of, and five-year contract terms for, the BlackRock Fundamental Mid-Cap Growth Equity Fund and the Wells Fargo Special Mid-Cap Value Equity Fund, both collective investment trusts, as providers for the Deferred Compensation Plan Mid-Cap Fund, with the effective dates of the contracts to be determined; (e) direct staff to negotiate and draft the necessary contracts with BlackRock and Wells Fargo in consultation with Board counsel; and (f) authorize the Board Chairperson to execute said contracts on behalf of the Board, subject to agreement between the City and the provider as to all applicable terms and conditions and all necessary approvals.

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- (6) **Board Report 21-63: DCP 2022 Resource Review** – Recommendation that the Board: (a) adopt the following DCP Growth and Expense variable and Fee variable assumptions for use in projecting future DCP Reserve Fund balances: (1) DCP Assets Growth Rate - 6%; (2) Net Participation Growth Rate - 3%; (3) Annual Administrative Expenses Growth Rate - 3%; (4) Special Rates Increase Factor: Personnel - 91%; (5) Special Rates Increase Factor: City Attorney - 93%; (6) Stable Value Fund Average Rate of Return - 2%; (7) Participant Fees: Annual Basis Point Charge - 0.09%; (8) Participant Fees: Annual Dollar Cap - \$115; (b) request that staff draft a proposed budget policy for adoption of the Board to address roles and responsibilities of the DC Plan Manager and the Board and including a timetable for conducting DCP resource reviews, developing annual budget requests to the Mayor and City Council, and engaging with stakeholders in support of its resource objectives; and (c) postpone further review of offering platform-based investment advice pending successful completion of City and DWP payroll system conversions.
- (7) **Board Report 21-64: Recruitment/Selection Process for DC Plan Manager** – Recommendation that the Board: (a) authorize the Board Chairperson to, in consultation with staff, draft and submit a communication to the Office of the Mayor renewing the Board’s request that the DC Plan Manager position be exempted from civil service; (b) request that staff develop a proposal for the most expedited process practical for securing the services of an executive recruiting firm; (c) recommend to the Personnel Department that the vacant Senior Benefits Analyst I position dedicated to the DCP be filled as soon as practical; (d) recommend to the Personnel Department that it, upon filling the Employee Benefits Division’s successor Chief and Senior Benefits Analyst II positions, provide DCP administrative training to these staff so they can support the DCP until the permanent appointment of a DC Plan Manager; (e) solicit a Board member volunteer to serve as an examination rater and request that staff solicit participation from a comparable large plan executive administrator to serve, if available, as an additional rater for the DC Plan Manager examination; and (f) find that final selection interviews should be conducted by all Board members interested in participating.
- (8) **Board Report 21-65: Investment Consulting Services Contract** – Recommendation that the Board: (a) finalize its approval of, and a five-year contract term for, Mercer Investment

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Consulting, Inc. to provide Deferred Compensation Plan investment consulting services, for a five-year contract term beginning January 1, 2022, and ending December 31, 2026; (b) direct staff to negotiate and draft the necessary contract with Mercer in consultation with Board counsel; and (c) authorize the Board Chairperson to execute said contract on behalf of the Board, subject to agreement between the City and the provider as to all applicable terms and conditions and all necessary approvals.

### Informational Items

- (9) **Quarterly Investment & Economic Review: Third Quarter 2021** – Presentation from Mercer Investment Consulting regarding Deferred Compensation Plan investment options for the quarter ending September 30, 2021.
- (10) **Board Report 21-66: 2021 National Retirement Security Month Campaign Results** – Report regarding results of the 2021 National Retirement Security Month campaign.
- (11) **Board Report 21-67: Deferred Compensation Plan Projects and Activities Report: November 2021** – Report regarding Deferred Compensation Plan project and activity updates for November 2021.

### Concluding Items

- (12) **Requests for Future Agenda Items**
- (13) **Next Meeting Date: Regular Meeting – January 18, 2022**
- (14) **Adjournment**

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