



Board Report 21-32

Date: June 15, 2021

To: Board of Deferred Compensation Administration

From: Staff

Subject: Board of Deferred Compensation Administration Elections – Candidate Information, Qualifications, and Statement of Qualifications

Board of Deferred Compensation Administration
Thomas Moutes <i>Chairperson</i>
Raymond Ciranna <i>Vice-Chairperson</i>
Robert Schoonover <i>First Provisional Chair</i>
Neil Guglielmo <i>Second Provisional Chair</i>
Joshua Geller <i>Third Provisional Chair</i>
Linda P. Le
Wendy G. Macy
Baldemar J. Sandoval
WPERP Representative <i>Vacant</i>

Recommendation:

That the Board of Deferred Compensation Administration (Board) direct the Plan Governance and Administrative Issues Committee (Committee) to review and assess the role of the Deferred Compensation Plan (DCP) in providing candidate information to DCP voters and provide recommendations to the Board for further action.

Discussion:

A. Background

Per City of Los Angeles Administrative Code Section 4.1407, Board members include directly elected employee participant representatives from the Los Angeles City Employees' Retirement System (LACERS), Los Angeles Fire and Police Pensions (LAFPP), and the Water and Power Employees' Retirement Plan (WPERP), and a retiree participant representative. The table below details the current incumbent representatives and their respective Board terms:

Board Position	Incumbent	Term
LACERS Representative	Joshua Geller	July 1, 2020 – June 30, 2023
LAFPP Representative	Baldemar J. Sandoval	July 1, 2020 – June 30, 2023
WPERP Representative	Vacant effective 3/1/2021; Prior incumbent – Hovhannes Gendjian	July 1, 2018 – June 30, 2021
Retiree Representative	Thomas Moutes	July 1, 2018 – June 30, 2021

The Election Day for the Retiree Representative Board seat was held on May 27, 2021. The City Clerk conducted an unofficial ballot tally on June 1, 2021 and Thomas Moutes was declared the

winner of the election with approximately 74% of the votes cast. A special election for the WPERP Representative Board seat is scheduled for the third quarter of 2021.

B. Discussion

At its May 18, 2021 meeting, the Board requested staff to report back regarding options for providing more candidate information to voters in future Board elections (including, for example, providing candidate information on the DCP website). In preparing for that report back, staff also received feedback from DCP voters regarding candidate information, qualifications, and statement of qualifications in the course of conducting the election for the Retiree Representative Board seat. A summary of the feedback that staff received from DCP voters is provided below:

- Candidate Information
 - There is no information on the DCP website on the candidates who are running for the Board seat.
 - The only information available to voters is the information provided in the candidate's statement of qualifications which is printed in the voting materials and sent with the election ballot.
 - How do voters get more information on candidates or reach out to the candidates if they want to learn more about the candidate and their qualifications?
- Candidate Qualifications
 - A Board member is responsible for managing a multi-billion dollar plan and there are no minimum qualifications for running beyond being a member of the DCP and having an account balance.
 - The Board should set minimum qualifications for running for a Board seat.
- Candidate Statement of Qualifications
 - The information provided by candidates in their statement of qualifications is not verified for accuracy by the Board or the City Clerk.
 - The Board should properly vet these statements for accuracy before they are printed in the voting materials that are sent with the election ballot.

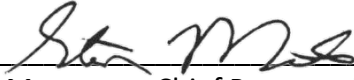
In reviewing the feedback provided by DCP voters, staff believes that it will be important for the Board and staff to ensure objectivity and neutrality with respect to all candidates for Board elections. Taking a larger role in providing candidate information raises a number of issues. Staff believes these issues would be more appropriately reviewed in greater depth and with a greater allowance for time at a Committee level. Staff is therefore recommending that the Board direct the Plan Governance and Administrative Issues Committee to review and assess the role of the Deferred Compensation Plan (DCP) in providing candidate information to DCP voters and provide recommendations to the Board for further action.

Submitted by:



Jenny M. Yau, Senior Benefits Analyst II

Approved by:



Steven Montagna, Chief Personnel Analyst