

# Deferred Compensation Plan BOARD REPORT 12-11

Date: February 9, 2012  
To: Board of Deferred Compensation Administration  
From: Staff  
Subject: Strategic Plan: Draft Five-Year Objectives

*Board of Deferred  
Compensation Administration  
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## Recommendation:

That the Board of Deferred Compensation Administration receive and file for discussion information regarding five-year objectives for a Strategic Plan for the City's Deferred Compensation Plan.

## Discussion:

Over recent months staff has been drafting a Strategic Plan for the Deferred Compensation Plan. The purpose of the Strategic Plan is identifying the Plan's mission, goals and strategies over a five-year period (2012-2016).

At the Board's September 20, 2011 meeting, the Board provided guidance to staff concerning the assumptions to be used in estimating available Plan resources. At the Board's October 18, 2011 meeting, Board members provided direction to staff regarding proposed mission/mission/values statements for the Plan. At the Board's December 20, 2011 meeting, the Board provided direction to staff regarding primary goals for the City's Plan.

Following is a summary of prior and outstanding discussions:

- Identification of Plan Resources
- Mission/Vision/Values Statements
- Primary Goals
- Five-Year Implementation Objectives
- Evaluation Strategy
- Related Policies

In this report staff will present proposed five-year implementation objectives and an evaluation strategy. These will be presented in the form of the actual Strategic Plan Document (attached).

**Five-Year Objective** - In developing the list of projects outlined in the attachment, staff reviewed its ongoing project list; held internal discussions with Plan staff; and held separate discussions with Great-West Retirement Services. In addition, staff took advantage of the opportunity of a January 12-13, 2012 meeting with the California Defined Contribution Peer

Network (CA-DCPN) to review some of the long-term issues the City's California peers are addressing within their plans.

Key elements of this five-year plan include the following:

- Scheduling of Board elections
- Scheduling of procurement processes
- Scheduling of Plan Document and Investment Policy statement reviews
- Identification of key Communications objectives, including projects such as the "Green Campaign," investment menu change communications, a participant survey, and development of videos and webinars
- Training and educational objectives, including the addition of bi-annual onsite visits to the Plan's third-party-administrator (a practice universal among our CA-DCPN peers but not currently conducted by the City's Plan)

**Evaluation Strategy** - Staff believes that for the Strategic Plan to be effective it needs to be reviewed and updated regularly throughout its duration. As a result, staff proposes that the Board conduct no less than annual reviews of its five-year plan as a means of measuring progress and revising objectives.

Staff believes these reviews should involve examination of (a) successful objectives and the reasons for success; (b) incomplete objectives and reasons for not having been completed; and (c) completed objectives which did not achieve anticipated results, and the reasons for same. In connection with this, staff believes that where appropriate and feasible the Plan should establish metrics for certain projects, such that a given project can be related back to a primary Plan objective. For example, communications projects can employ metrics to measure their effectiveness, and customer service can be similarly evaluated.

**Next Steps** - The next phase of developing the Strategic Plan will involve incorporating Board member comments and feedback from this meeting and returning the document to the Board with a recommendation for adoption. Additional reporting concerning the Plan's staffing resources will be addressed at that time. Staff will subsequently begin developing policies related to implementation of the Strategic Plan. The first of these will address education and travel. Future policy development will occur as needs are identified in connection with the goals and objectives of the Strategic Plan.

Submitted by: \_\_\_\_\_  
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