



## BOARD REPORT 18-43

Date: September 18, 2018

To: Board of Deferred Compensation Administration (Board)

From: Staff

Subject: Plan Projects and Activities Report: August 2018

### Board Members

**John R. Mumma**  
Chairperson

**Thomas Moutes**  
Vice-Chairperson

**Raymond Ciranna**  
First Provisional Chair

**Robert Schoonover**  
Second Provisional Chair

**Wendy G. Macy**  
Third Provisional Chair

**Joshua Geller**  
**Hovhannes Gendjian**  
**Neil Guglielmo**  
**Linda P. Le**

### Recommendation:

That the Board receive and file staff monthly activity report for August 2018, including updates regarding Communications; Project Updates; Completed Projects/Meeting Calendar; Staffing; and Committee Assignments.

### Discussion:

Following are activity updates for August 2018:

#### **A. Communications**

In accordance with the Board's approval at its July 17, 2018 meeting, staff released two Deferred Compensation Plan surveys on August 2, 2018. The first survey was transmitted to retirees who took a full distribution in the second quarter of 2018, and the second survey was transmitted to retirees who initiated a rollover to an external provider, excluding those participants who initiated a rollover to one of the City's three pension systems (LACERS, LAFPP, WPERP). The two surveys asked questions related to participant reasons for taking a full distribution/rollover, awareness of Plan loans, satisfaction with taking a full distribution/rollover, retirement income security comfort level, and any suggestions for Plan improvement. Once sufficient data is received, staff will report results to the Board.

#### **B. Project Updates**

- National Retirement Security Week (NRSW) Campaign – In accordance with the Board's approval at its July 17, 2018 meeting, staff is working with the Mayor's Office to prepare a video introduction for this year's NRSW campaign. Staff anticipates being able to present the video to the Board at its October 16, 2018 meeting.
- Investment Manager Searches – In accordance with the Board's approval at its July 17, 2018 meeting, staff has scheduled a meeting of the Investments Committee on Monday, September 17, 2018, at 12:30 p.m., to initiate its work in developing recommendations to

the Board with respect to upcoming investment manager searches for the Plan's various investment mandates. The task of the Investments Committee will be to determine the type of search processes to be applied to each investment mandate; proposed investment and evaluation criteria for each mandate; and recommendations for provider selections.

- FDIC-Insured Request for Proposal – The proposal deadline for the Board's Request for Proposal (RFP) for FDIC-Insured Savings Accounts was July 20, 2018. Three banks submitted responses: Bank of the West, East West Bank, and Union Bank. Staff is evaluating the proposals in consultation with Mercer. Staff has finished evaluating most components of the RFP responses and is awaiting analysis on more technical questions from Mercer before completing the evaluation. Staff tentatively anticipates the evaluation will be completed and a report generated for the Board's review/action at the Board's October 16, 2018 meeting. Contracts with the incumbent providers do not expire until September 30, 2019.
- Financial Auditing Services Request for Proposal – At its May 15, 2018 meeting, the Board approved and authorized the release of an RFP in order to procure Deferred Compensation Plan financial auditing services. The RFP was released on August 14, 2018. The mandatory pre-proposal conference occurred on September 12, 2018. The deadline for submitting proposals is October 4, 2018.
- Automatic Enrollment – On September 4, 2018, staff and a local Voya representative participated in a new hire orientation for Police Academy new cadets, which included the Los Angeles Police Protective League (LAPPL) and a presentation by staff regarding automatic enrollment in the City's Deferred Compensation Plan. The cadets were provided with a general presentation regarding the benefits of enrolling in the Plan and features of the Automatic Enrollment Program (AEP). Out of the 55 cadets that attended the orientation, a total of 46 individuals completed and submitted forms authorizing future communications regarding the AEP. These forms provide the Plan's Third-Party Administrator (TPA), Voya, with the necessary address information to administer the first communication step of the AEP upon a cadet's graduation from the Police Academy. Staff will monitor and provide updates to the Board regarding the number of sworn personnel enrolling through the AEP. The Plan will continue its presentations at subsequent Police Academy new cadet orientations. 2018 classes are scheduled to occur on October 1, October 29, November 26, and December 24.
- Outside Tax Counsel Procurement – Board counsel reports that recruitment letters were sent out on September 5, 2018, to six law firms (including four firms that responded to a Request for Proposal for outside tax counsel services for the City's retirement/pension systems and two firms that responded to the recruitment in 2012-13 for tax counsel for BDCA). Responses are due by September 26, 2018. It is anticipated that interviews with responding, qualified law firms will occur in October and that a recommendation for retention will be made to the Board and City Council in November or December.

- Deemed IRA – As previously reported to the Board at its August 21, 2018 meeting, staff is in the process of gathering information from other plan sponsors offering or considering offering Deemed IRAs. Outside tax counsel review is pending the City Attorney establishing a new outside tax counsel service.
- Plan Document Review – In accordance with the Board's approval at its April 17, 2018 meeting, staff is working with Segal Consulting on recommended revisions to the Plan Document. Once the revisions have been reviewed by the Board's legal counsel, and as directed by the Board, draft revisions to the Plan Document will be referred to the Plan Governance & Administrative Issues Committee for further review and to develop recommendations for action by the Board. Outside tax counsel review is pending the City Attorney obtaining new outside tax counsel services.
- NAGDCA Conference – The Board's legal counsel will be disseminating correspondence to Board members attending the 2018 NAGDCA Conference and ensuring compliance with the Ralph M. Brown Act.
- Voya Financial (Voya) Site Visit – From October 1, 2018 through October 3, 2018, Plan staff Matthew Vong and Daniel Powell will conduct a site visit to Voya's headquarters and call center. They will observe Voya's recordkeeping and processing operations and engage in a dialogue with Voya's work teams regarding how to enhance and optimize a range of customized workflow processes to better meet the needs of the City's Plan and its participants. An onsite meeting with a TPA is regarded as a best practice by state and local government administrators of large defined contributions plans, as it provides opportunities to personally engage with TPA processes, staff, and resources in ways that are not available through virtual communication. This will be staff's first visit to Voya headquarters since they assumed TPA duties for the City's Plan.

### C. Completed Projects/Meeting Calendar

**Attachment A** provides a list of monthly completed projects, as well as a calendar of upcoming Board meetings and proposed topics.

### D. Staffing

At its April 18, 2017 meeting, the Board approved the establishment of an ongoing Administrative Intern I position for the Plan. Staff conducted an outreach process and identified a candidate from a pool of students from local universities. The primary duties of the internship position include but are not limited to: conducting research and data analysis to determine areas of success and areas in need of improvement in meeting Plan goals; developing communications campaigns and collateral to encourage increased participation in the Plan; and organizing and supporting outreach events for City employees.

Following an interview process, Sandeep Kaur was selected to fill the position. Ms. Kaur is a Financial Planning major at California State University, Northridge (CSUN). Her initial assignments for the Plan will be related to behavioral research with respect to the Plan's retired and prospective or recently-enrolled populations. The purpose of the research will be to identify and document factors that influence decision-making relative to enrollment and distribution. Ms. Kaur's first day of employment was September 11, 2018.

Following is a summary of staff positions supporting the Deferred Compensation Plan:

Position Authority	Incumbent Class	Function	Est. Percent Reimbursed by DCP	Staff Member
<b>Personnel</b>				
Chief Personnel Analyst	Chief Personnel Analyst	Executive Director	20%	Steven Montagna
Senior Personnel Analyst II	Senior Management Analyst II	Operations Manager	30%	Isaias Cantú
Senior Personnel Analyst I	Senior Personnel Analyst I	Administration/Policy	100%	Matthew Vong
Management Analyst	Personnel Analyst	Metrics/Communications	90%	Daniel Powell
Management Analyst	Personnel Analyst	Governance/Special Projects	90%	Kevin Hirose
Benefits Specialist	Sr. Administrative Clerk	Participant Services	90%	Claudia Guevara
Administrative Intern I	Administrative Intern I	Research	100%	Sandeep Kaur
<b>City Attorney</b>				
Assistant City Attorney	Assistant City Attorney	Board Counsel	25%	Curt Kidder
Legal Assistant	Legal Assistant	Participant Legal Services	40%	Vicky Williams

## E. Committee Assignments

Following is the current committee roster as designated by the Board Chairperson:

Plan Governance & Administrative Issues Committee	Investments Committee
John R. Mumma, Chair	Raymond Ciranna, Chair
Wendy Macy	Neil Guglielmo
Thomas Moutes	Thomas Moutes
Joshua Geller	Hovhannes Gendjian

Submitted by: \_\_\_\_\_ / \_\_\_\_\_ / \_\_\_\_\_  
Kevin Hirose Daniel Powell Matthew Vong

Reviewed by: \_\_\_\_\_  
Isaias Cantú

Approved by: \_\_\_\_\_  
Steven Montagna

**COMPLETED PROJECTS & UPCOMING MEETINGS CALENDAR**

<b>COMPLETED PROJECTS: AUGUST 2018</b>		
#	STATUS	PROJECT
1	Completed	Board Report: 2018 Custom Web Resource Center and Social Media Implementation Plan
2	Completed	Board Report: Plan Reimbursements Second Quarter 2018
3	Completed	Board Report: Plan Projects and Activities Report July 2018

<b>BDCA UPCOMING MEETINGS CALENDAR</b>		
Meeting Date	Agenda Item	Presentation
October 16, 2018	Board Report: FDIC RFP Evaluation and Recommendations	Board Training: US Retirement Benefit Design
	Board Report: Participant Engagement Website, Video Content, and Social Media Update	Third-Party Administrator Quarterly Plan Data Review
	Board Report: NAGDCA Conference Review	
	Board Report: Plan Projects and Activities Report	
November 20, 2018	Board Report: Plan Participation Goal & Metrics	Investment Manager Presentation - Galliard Capital (Confirmed)
	Board Report: Plan Projects and Activities Report	Quarterly Investment & Economic Review (3Q 2018)
December 18, 2018	Board Report: Plan Reimbursements & CAP Rate	
	Board Report: Quarterly Reimbursements, 3Q 2018	
	Board Report: Plan Document Review	
	Board Report: Plan Projects and Activities Report	