

BOARD OF DEFERRED  
COMPENSATION  
ADMINISTRATION

MARGARET M. WHELAN  
CHAIRPERSON

BILL STEIN  
VICE-CHAIRPERSON

EUGENE K. CANZANO  
JOYA C. DE FOOR  
DON KEITH  
RICHARD KRAUS  
SHELLEY SMITH

# DEFERRED COMPENSATION PLAN BOARD REPORT 06-26



Date: August 1, 2006

To: Board of Deferred Compensation Administration

From: Investments Committee/Staff

Subject: Draft Report to City Council/Proposed Administrative Code Changes

Recommendation:

That the Board of Deferred Compensation Administration approve the attached draft report to the City Council and draft proposed Administrative Code changes incorporating Board recommendations on changes to Plan governance.

Discussion:

As a result of actions taken by the Board at its June 20, 2006 meeting, staff has prepared a draft communication to the City Council concerning its recommended changes to Los Angeles Administrative Code provisions concerning governance of the Board of Deferred Compensation Administration. In addition, staff has worked with the City Attorney to draft the proposed revised Administrative Code language.

In this language, staff is proposing that the effective date for implementation of the direct participant-elected positions (LACERS representative, Pensions Representative, DWP Representative and Retired Representative) be phased in between July 1, 2007 and July 1, 2008. Consistent with the Board's objective of staggering the elected positions, two of the positions would be elected in 2007 and the remaining two elected in 2008. Staff is recommending that the LACERS and Pensions positions be the first set for elections. Given that they represent the larger participant populations, having these two elections held first will provide direct representation to the largest number of participants at the earliest possible date.

For all of the positions, until such time as an election is held, they will be filled based on vacancy provisions outlined in the proposed language. This means that the retirement/pension systems (and/or the Board in the case of the Retired Representative) would continue to exercise their discretion to fill those positions under essentially the same provisions they use currently.

Staff does not intend to provide the proposed report to Council until the Board has made its Plan Administrator contractor selection, assuming this occurs at the Board's September 19, 2006 meeting. Board members may recall that Council requested that the Board report back on its contractor selection. Given the proximity of these two issues, staff believes it would be more efficient to include both discussions in a single report since it is likely both matters will require Council appearances involving Board members as well as staff.

Submitted by:

\_\_\_\_\_  
Steven Montagna

Approved by:

\_\_\_\_\_  
Maryanne Keehn