

# PLAN GOVERNANCE & ADMINISTRATIVE ISSUES COMMITTEE

## COMMITTEE REPORT 10-03

Date: October 28, 2010  
To: Plan Governance & Administrative Issues Committee  
From: Staff  
Subject: Draft Bylaws

Plan Governance Committee

Members

Eugene K. Canzano, Chair  
Sangeeta Bhatia  
Cliff Cannon  
John Mumma  
Maggie Whelan

Non-Committee Board Members

Richard Kraus  
Tom Moutes  
Michael Perez  
Robert Schoonover

Recommendation:

That the Plan Governance and Administrative Issues Committee continue its discussion/review of the draft Governance Policies/Bylaws of the Board of Deferred Compensation Administration and adopt the revisions that have been made to date.

Discussion:

At its September 30, 2010 meeting, the Plan Governance and Administrative Issues Committee discussed the following in regards to the Board of Deferred Compensation Administration Governance Policies/Bylaws:

- Organization of the document;
- Use of outside counsel;
- Board member attendance;
- Abstentions from voting; and
- Supermajority vote requirement for amendments to the adopted Bylaws

Revisions to the language have been incorporated using Track Changes formatting. The meeting is scheduled for two hours and it is not expected that the Committee will complete its review of the document, therefore, staff recommends that the Committee continue meeting on an approximately monthly basis until the draft Bylaws are complete and ready to be submitted to the Board.

The following is a description of the main revisions made to the Bylaws as well as information requested by the Committee at its September 30, 2010 meeting:

**Abstentions from Voting** – Staff consulted Deputy City Attorney Anita Parys who explained that the Los Angeles City Administrative Code governs the use and application of Board abstentions. She cited Administrative Code Section 21.19, which states:

“Where such will not be inconsistent with Charter-prescribed duties, or prohibited by law, a member of a City board or commission or of a committee thereof, who is present when a question is put to that board, commission or committee shall vote on that question at the call of the roll thereon. In the event such member fails to

affirmatively vote either “yes” or “no,” that member will be deemed to have voted “yes,” and the member’s vote will be spread as such upon the record.”

Therefore, Board members are expected to vote on all matters that do not result in a conflict of interest. Should a Board member choose to abstain from voting on a particular topic, then that decision will be considered an affirmative vote per the City Administrative Code.

**Outside Counsel-** Language has been added to the “Duties of the Board, Staff, and Counsel” section of the Bylaws to address the Board’s duty to obtain outside expertise when necessary. A provision has also been made to account for the use of outside counsel in the Plan’s administrative budget.

**Board Member Attendance** – A provision has been added to the “Governance and Administration of Meetings” section that stresses the importance of Board member attendance. Language was also added to direct staff to provide the Board with an annual report regarding Board member attendance in the prior year.

**Organization of the Bylaws** – Staff revised the Bylaws to make the numbering system consistent. Since these changes did not result in revisions to the language of the Bylaws, staff did not use Track Changes formatting.

**Amending the Bylaws** – Staff is presently drafting a report to the full Board regarding the practices of the City’s retirement systems as it relates to the number of votes required for amending their governing policies/bylaws.

Submitted by: \_\_\_\_\_  
Ashley Stracke

Reviewed by: \_\_\_\_\_  
Natasha Gameroz

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