

DEFERRED COMPENSATION PLAN BOARD REPORT 11-15

Date: February 3, 2011
To: Board of Deferred Compensation Administration
From: Staff
Subject: Staff Report: Completed & Pending Projects & Activity Report

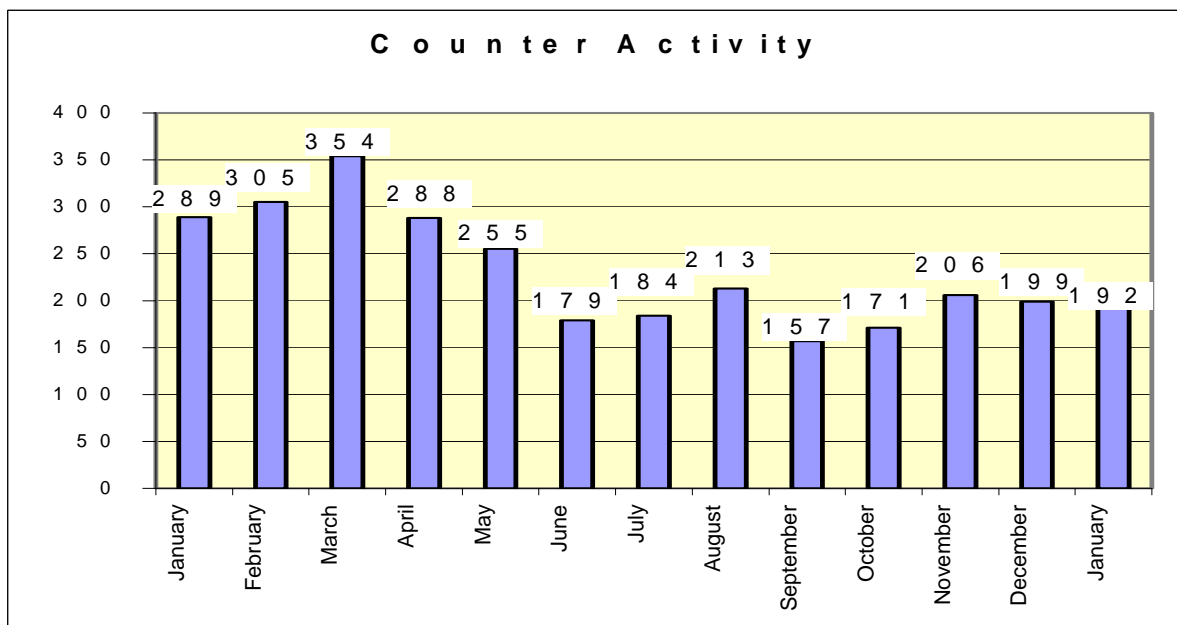
Members
Eugene K. Canzano, Chairperson
Richard Kraus, Vice-Chairperson
Sangeeta Bhatia
Cliff Cannon
Tom Moutes
John R. Mumma
Michael Perez
Robert Schoonover
Maggie Whelan

Recommendation:

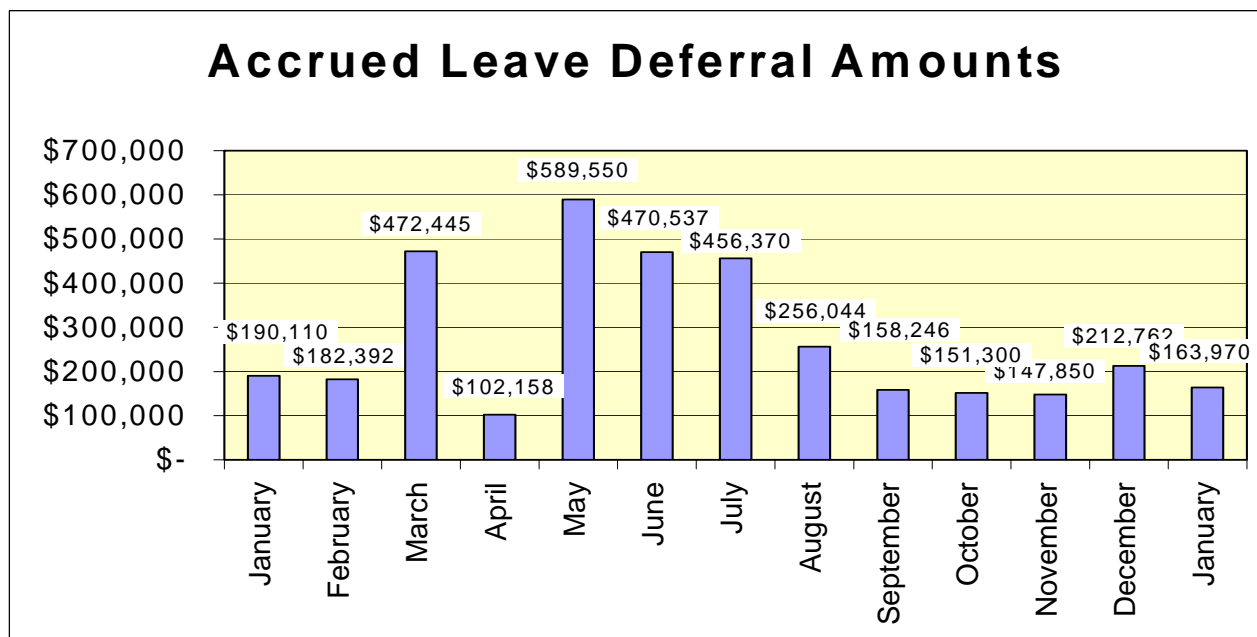
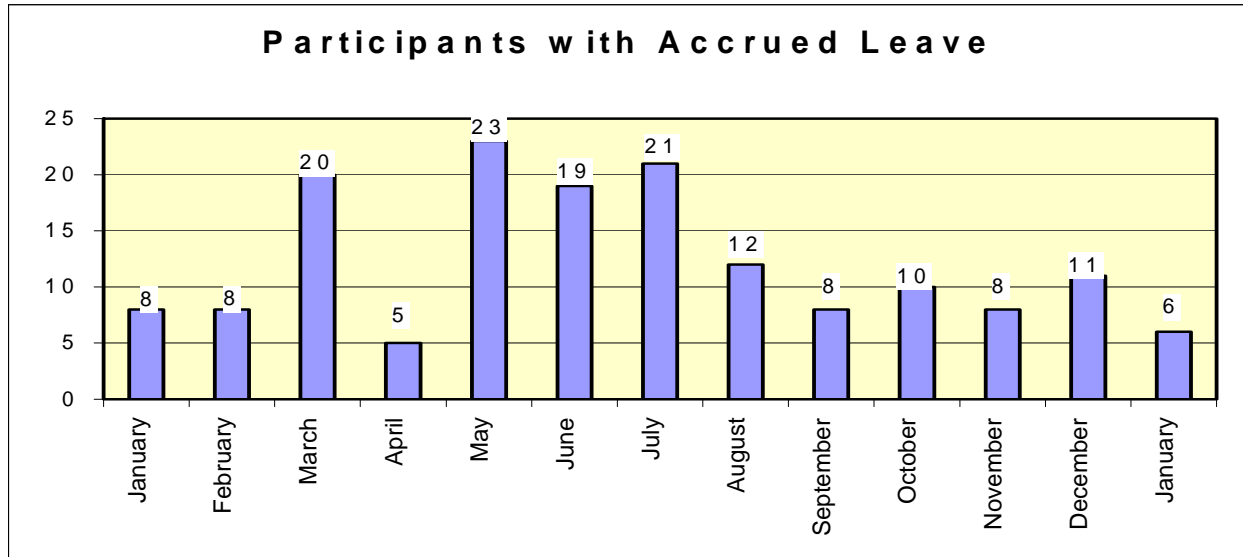
That the Board of Deferred Compensation Administration receive and file the following information.

Activity Reports:

Counter Activity Employee Benefits Division – Staff has compiled the following results of Counter Activity flow for the month of January 2011. During the month of January, 192 participants visited the Employee Benefits Division to discuss their Deferred Compensation accounts with the Great-West representatives and/or staff. Following are counter activity results from January 2010 to January 2011:

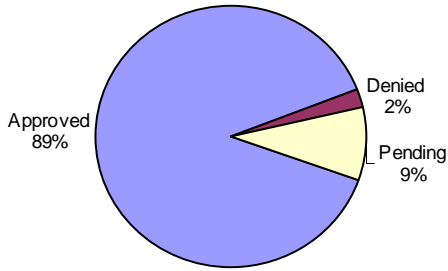


Accrued Leave Activity – Staff has compiled the following results of Accrued Leave enrollment for the month of January 2011. During the month of January, six participants elected to enroll in Accrued Leave and \$163,970 was contributed into the Plan from their Accrued Leave payouts. Following are accrued leave activity results from January 2010 to January 2011:

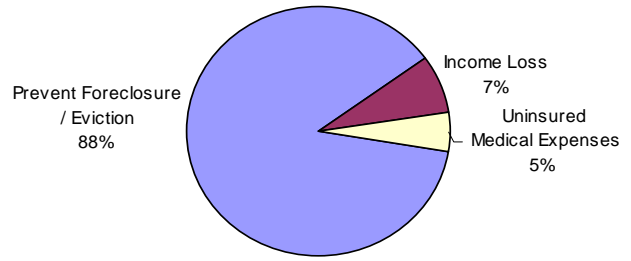


Hardship Activity – Staff has compiled the following results of hardship processing with Great-West for the month of January 2011. During the month of January, forty-five hardship cases were submitted to Great-West. Forty cases were approved, one denied, and four were pending further documentation.

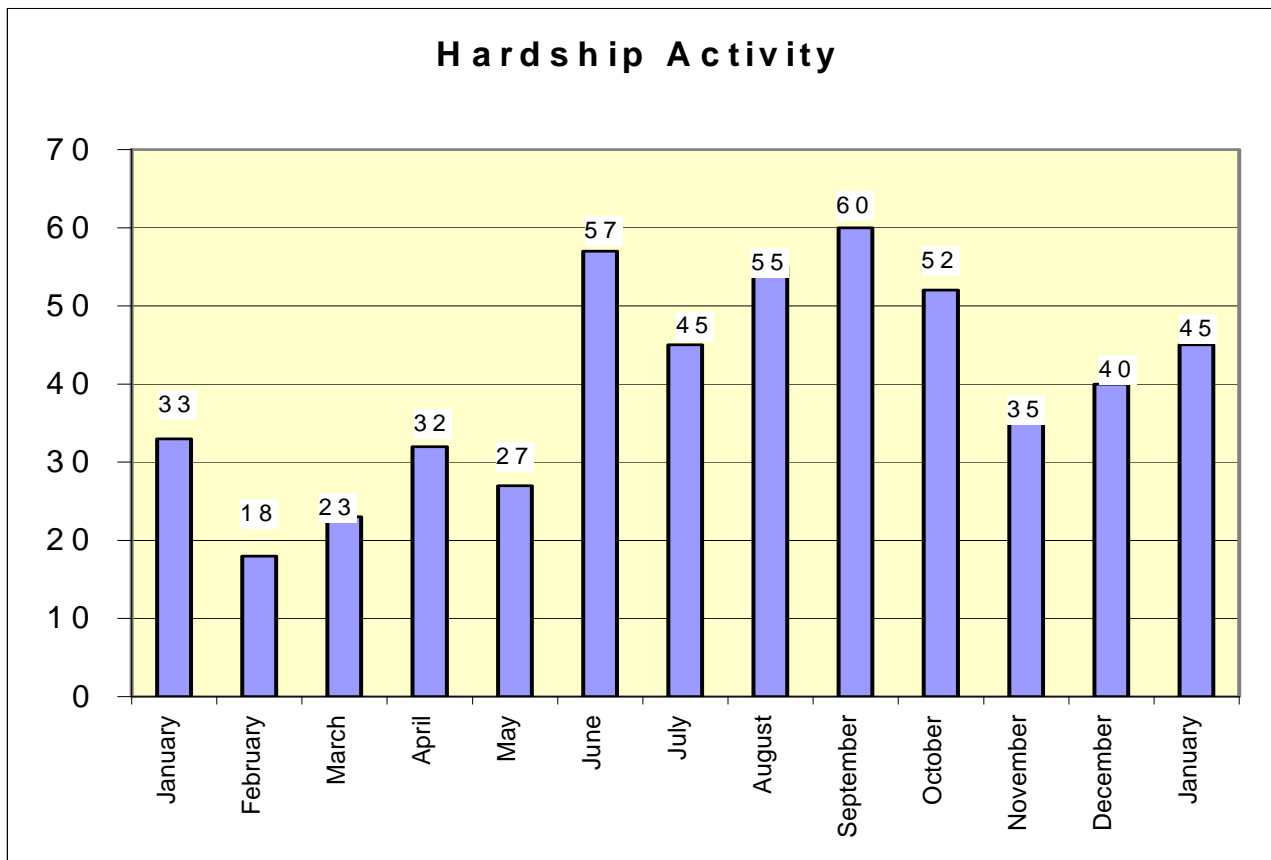
Hardship Activity January'11



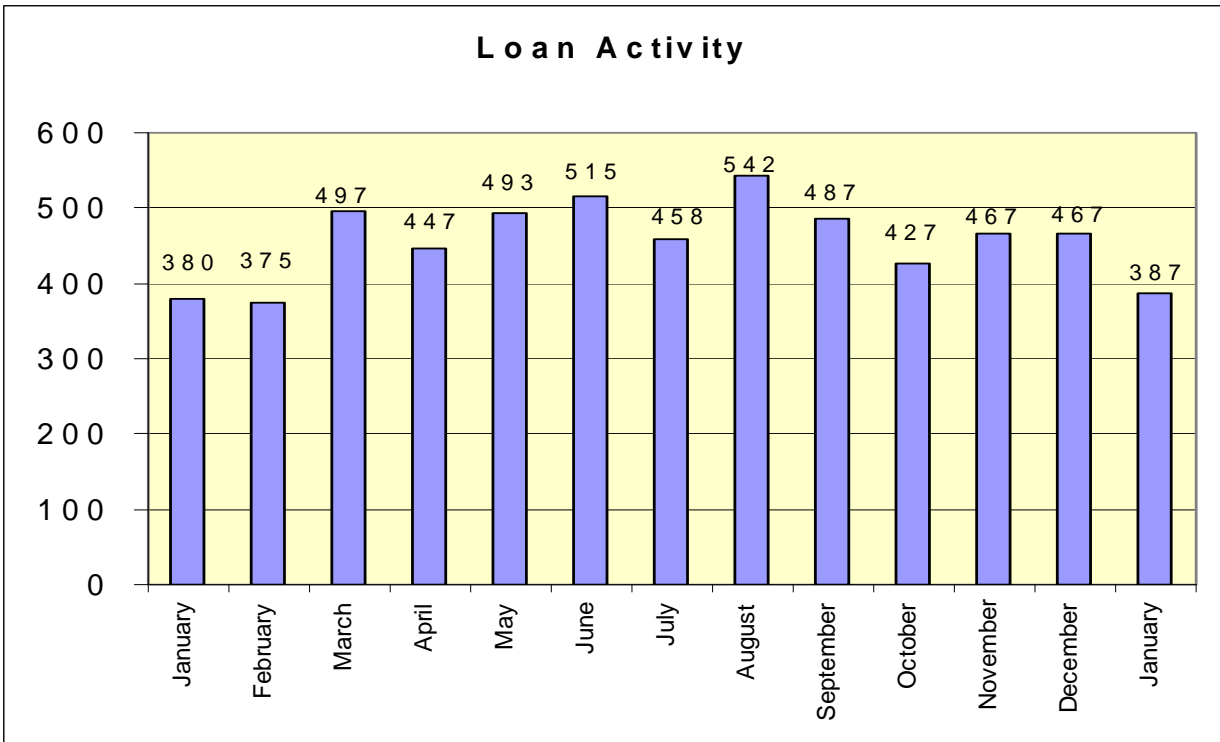
Distribution Reasons



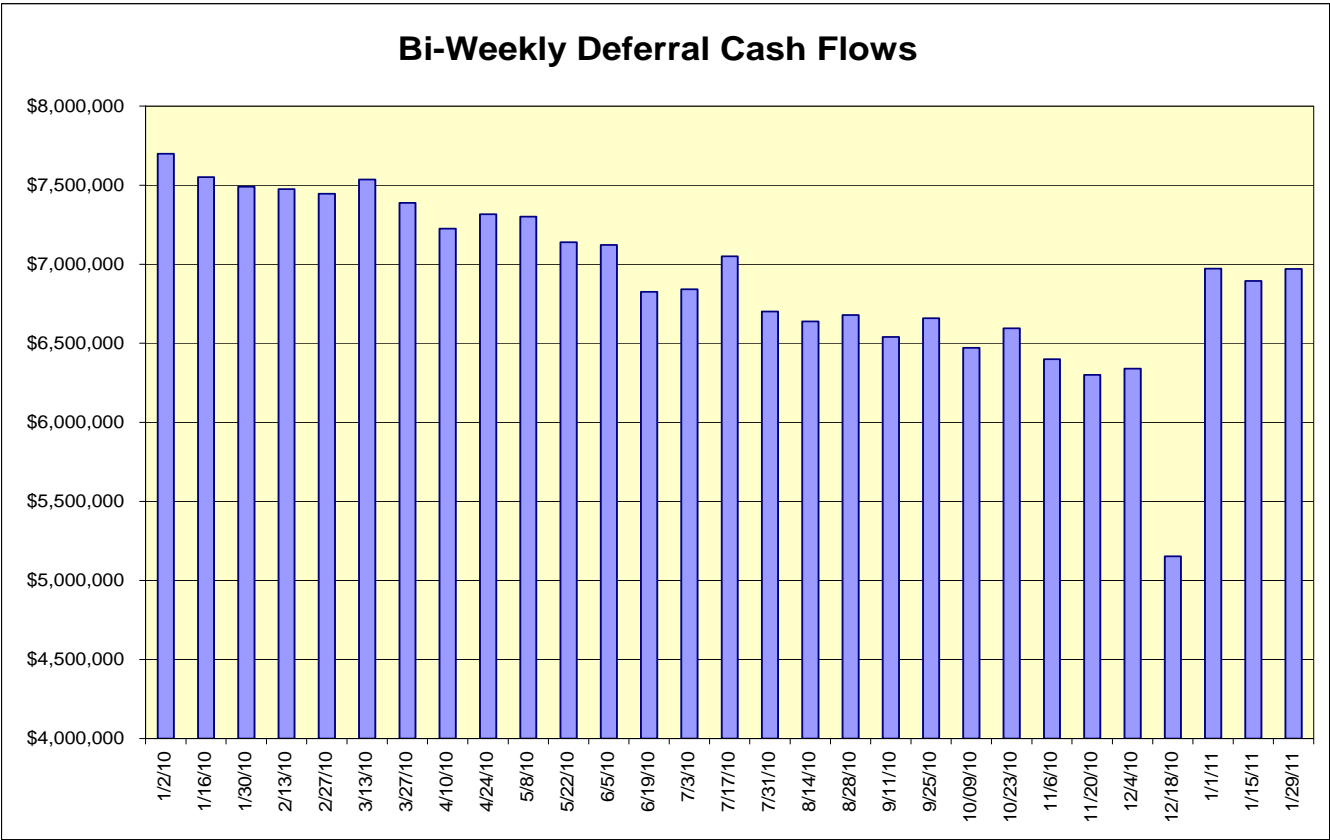
Following are hardship activity results from January 2010 to January 2011:



Loan Activity – Staff has compiled the following results of new loans acquired for the month of January 2011. During the month of January, 387 participants elected to obtain a new loan and \$4,945,676 was withdrawn from the Plan from their loan payouts.



Deferral Tracking - Staff has compiled the following results of bi-weekly deferral cash flows for the month of January 2011 for the City of Los Angeles and Department of Water and Power. During the month of January, the City and Department of Water and Power deferred \$20,836,862 into the Deferred Compensation Plan. This compares to **\$22,739,779** in January 2010, or a reduction of **8.4%** year-over-year.



PROJECT UPDATE
(reflects project activity for period 01/01/11 through 01/31/11)

COMPLETED PROJECTS: JANUARY 2011					
#	STATUS	PROJECT	DUE DATE	COMPLETED	NOTES
1	Completed	Minutes - 12/21/10 Board Meeting	01/06/11	01/12/11	N/A
2	Completed	Board Report - Staff Report January	01/06/11	01/12/11	N/A
3	Completed	Board Report - Roth 457 Implementation January Update	01/06/11	01/12/11	N/A
4	Completed	PowerPoint Presentation - Trustee Issues	01/13/11	01/13/11	N/A
5	Completed	Board Report - TPA Contract Update	01/06/11	01/12/11	N/A
6	Completed	Board Report- Elections for 2011	01/06/11	01/12/11	N/A
7	Completed	Board Report - Board Member Attendance Review	01/06/11	01/12/11	N/A
8	Completed	Board Report - Resolution for Board Meeting Dates	01/06/11	01/12/11	N/A
9	Completed	Plan Governance Committee Meeting 4 - Bylaws	01/13/11	01/13/11	N/A
10	Completed	Cal-Net Meeting San Francisco	01/20/11	01/20/11	N/A
PENDING PROJECTS					
#	STATUS	PROJECT	DUE DATE	COMPLETED	NOTES
1	PENDING	Board Report - Quarterly Budget Review 9/30/10	01/06/11		Pending
2	PENDING	Draft Council Report - DCP Contract Extension	01/06/11		Pending City Attorney Review of Ad Code provisions relating to contract extensions
3	PENDING	Board Report - Small Account Balances	02/04/11		Pending
4	PENDING	Board Report - Roth 457 Update	02/04/11		Pending
5	PENDING	Board Report - Elections Update February	02/04/11		Pending
6	PENDING	Board Report - Bylaws	02/04/11		Pending
7	PENDING	Board Report - Staff Report February	02/04/11		Pending
8	PENDING	Investments Committee - Fund Implementation	02/15/11		Pending
9	PENDING	Great-West Contract Amendment - Wells Fargo	02/15/11		Pending
10	PENDING	RFP-Fund Custodian	02/15/11		Pending
11	PENDING	Roth 457 Implementation - Core Communication Document	01/31/11		Pending
12	PENDING	Fiduciary Liability Insurance	01/31/11		Pending
13	PENDING	Pension Savings Plan Quarterly Report & Update	01/31/11		Pending
14	PENDING	Board Report - Travel/Education Issues (On-site Review)	01/31/11		Pending City Attorney Review

15	PENDING	Board Report - Beneficiary Notifications and Focus Group Results	01/31/11		Focus group held 5/10-5/14; revisions to draft form pending; staff report being drafted
16	PENDING	Domestic Partners Research and Discussion with City Attorney and California Peers	01/31/11		Pending
17	PENDING	Review and report back on City of New York financial advice program	02/28/11		Pending
18	PENDING	Review and report back on PIMCO hedge fund strategy	02/28/11		Pending
19	PENDING	Review and report back on Plan statistics broken down by constituency	02/28/11		Pending
20	PENDING	Communications Plan: List of alternative DC publications and outlets (LACERS, Pensions, Union pubs, etc.)	02/28/11		Pending
21	PENDING	Board Report - Consulting Services RFP	02/28/11		Pending
22	PENDING	Plan Account Records	02/28/11		Researching obligations to retain historical records in light of issues w/Nationwide and Great Western Bank records
23	PENDING	Cal-Net Marketing Brochure on Retaining Assets	02/28/11		Materials obtained; first conference call on 7/13/10; draft flyer prepared, awaiting other versions/concepts
24	PENDING	Deferred Compensation Plan Annual Report	03/31/11		Pending
25	PENDING	Pension Savings Plan Annual Report	03/31/11		Pending
26	PENDING	Roth 457 Implementation: Revise Enrollment Form	03/31/11		Pending
27	PENDING	Roth 457 Implementation: Revise Enrollment Guide	03/31/11		Pending
28	PENDING	Roth 457 Implementation: Revise Distribution Guide	03/31/11		Pending
29	PENDING	Roth 457 Implementation - Payroll Deduction	03/31/11		Pending
30	PENDING	Board Report - Auto Glide-Path for Asset Allocation Funds	03/31/11		Pending
31	PENDING	Beneficiary Addresses	03/31/11		Beneficiary addresses can be captured on system - waiting to implement until we have new form issues resolved
32	PENDING	Board Report - Proxy Share Voting	03/31/11		Pending
33	PENDING	Investment Advice Review and Proposal	04/30/11		Pending
34	PENDING	Notification of Participants - Catch-Up Eligibility	04/30/11		Pending
35	PENDING	Pre-Audit Testing - Phase II	04/30/11		Pending
36	PENDING	Revise Mini-Enrollment Brochure	04/30/11		Pending
37	PENDING	Revise Pension Savings Plan Highlights	04/30/11		Pending

38	PENDING	Plan Document Revisions - Amend Plan Document to reflect 2009 RMD waiver - and make other necessary changes	05/31/11	Provided documentation to Natasha on 11/24/10; advised to consult w/City Atty on more substantive update of Plan Document
39	PENDING	Retirement Plan Summit	05/31/11	Pending
40	PENDING	Automatic Enrollment	05/31/11	Pending
41	PENDING	Revisit Plan Audit	05/31/11	Pending
42	PENDING	PSP Account Consolidation	05/31/11	Pending
43	PENDING	Statistical Project: Refined Count of Non-Contributing Participants	05/31/11	Pending
44	PENDING	Deemed IRA Implementation	05/31/11	Pending
45	PENDING	Retiree Loans	05/31/11	Pending

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

Position Authority	Incumbent Class	Percent Dedicated to DCP	Staff Member
Personnel			
Chief Personnel Analyst	Chief Personnel Analyst	25%	Alejandrina Basquez
Senior Personnel Analyst II	Senior Personnel Analyst II	80%	Steven Montagna
Management Analyst II	Management Analyst II	100%	Natasha Gameroz
Management Analyst II	Management Assistant	100%	Ashley Stracke
Benefits Specialist (prior incumbent left under ERIP)	Clerk Typist	100%	Claudia Guevara
City Attorney			
Assistant City Attorney	Assistant City Attorney	25%	Curt Kidder
Legal Assistant	Legal Assistant	40%	Vicky Williams

Follow-Up from State Street Global Advisors (SSgA):

Staff has attached the revised figures from State Street Global Advisors Board presentation from October 19, 2010 regarding the City's Russell 2000 Index Performance. In October, SSgA provided GIPS/composite performance on page 14 as of June 30th and then provided the City's actual performance on page 16 as of August 31st. Board member John Mumma had asked SSgA to provide the performance returns as of the same date. Therefore, the attached pages reflect performance returns for the Fund as of the same date – September 30, 2010.

Submitted by: _____
Natasha Gameroz

Steven Montagna

Approved by: _____
Alejandrina Basquez