

DEFERRED COMPENSATION PLAN BOARD REPORT 14-43

Date: October 9, 2014
To: Board of Deferred Compensation Administration
From: Staff
Subject: Proposed Training Program & Expenditures: FY 2015-16

Members
Eugene K. Canzano, Chairperson
John R. Mumma, Vice-Chairperson
Cliff Cannon, First Provisional Chair
Tom Moutes, Second Provisional Chair
Michael Amerian, Third Provisional Chair
Ray Ciranna
Mary Higgins
David Luther
Robert Schoonover

Recommendation:

That the Board of Deferred Compensation Administration approve the proposed Training Program and expenditures for Fiscal Year 2015-16.

Discussion:

Each year the Board adopts an annual budget, which includes funds set aside for training purposes. The Board has also adopted a Training/Education/Travel Policy for its members and staff. The Training Policy establishes objectives for training within certain categories, and identifies resources for providing training.

Each Fall staff provides the Board with a proposed training program for the subsequent fiscal year beginning in July. The reason the Board is asked to adopt its training program on a fiscal rather than annual year basis is due to the need to coordinate travel funding requests through the City's fiscal year budget process. The Board's adoption of the training program provides information regarding travel expenditures which the Personnel Department includes in its annual budget request on behalf of the Board.

Training Events - Staff has developed a "Proposed Training/Travel Program FY 15-16" (Attachment A). A description of each of the External Training events is also included for reference (Attachment B). The recommended training and travel items for FY 15-16 are the same as those adopted at the Board's July 16, 2013 for FY 14-15, with the following exceptions:

- **Deleted** - **PIMCO Institute Investment Seminar** - Staff is recommending this item be removed as the event no longer appears to be offered and PIMCO is no longer a Deferred Compensation Plan investment provider.
- **Deleted** - **Institutional Investor Defined Contribution Symposium** – Staff is recommending this item be deleted as this event is held at venues considerably more expensive than the City's per diem rules provide reimbursement for, routinely conflicts with the NAGDCA Conference dates, and are exclusive to a very small number of invited participants.

Funding - The Board's budget and travel policies provide for 2% annual growth of the base budgeted amount. The budgeted amount aligns with the maximum level of anticipated expenses.

The travel policy also provides that unused travel funds from prior fiscal years will be carried forward into the subsequent fiscal year. Staff is preparing a review of the current status of the Board's training funding resources, including amounts carried forward from prior fiscal years, which will be presented at the November Board meeting. Actual expenditures are typically substantially below the budgeted amount. As a result, because of the carryover funding, resources are available for additional training beyond the program amounts should such a need be identified and approved by the Board.

Staff recommends approval of its proposed training program for FY 15-16.

Submitted by: _____
Paul Makowski

Reviewed by: _____
Esther Chang

Approved by: _____
Steven Montagna

PROPOSED TRAINING/TRAVEL PROGRAM FY 15-16

EXTERNAL TRAINING										
Conference Travel (Eligible Conferences)	Tentative Date(s)	Approx. Per Member Cost	Approx. # Attendees	Maximum Cost	Fiduciary	Ethics	Regulatory	Best Practices	Plan Services	Investments
Natl Assn of Governmental Defined Contribution Administrators (NAGDCA)	9/27/2015 - 9/30/2015	\$ 2,500	TBD	TBD	x		x	x		x
Pensions & Investments East Coast or West Coast Conference	Oct-15 / Mar-16	\$ 2,500	TBD	TBD	x		x	x		x
International Foundation of Employee Benefit Plans	Oct-15	\$ 2,500	TBD	TBD	x		x	x		x
Plan Sponsor Council of America	Sep-15	\$ 2,500	TBD	TBD	x		x	x		x
Mercer Global Investments Forum	Jun-16	\$ 2,500	TBD	TBD	x		x	x		x
Plan Sponsor National Conference	Jun-16	\$ 2,500	TBD	TBD	x		x	x		x
International Foundation of Employee Benefit Plans – Public Sector 457 Plans Course	Oct-15	\$ 2,500	TBD	TBD	x		x			x
Wharton School - Portfolio Management	Apr-16	\$ 5,850	1	TBD	x		x			x
Total Conference Travel Slots			14	\$ 40,850						

Business Meeting Travel	Tentative Date(s)	Approx. Per Member Cost	Approx. # Attendees	Maximum Cost	Fiduciary	Ethics	Regulatory	Best Practices	Plan Services	Investments
California Defined Contribution Peer Network Meeting(s)	Jun-16	\$ 500	3	\$ 1,500	x		x	x		x
Third-Party Administrator Site Visit	Apr-16	\$ 500	3	\$ 1,500					x	
Total Business Meeting Travel Slots		\$ 500	6	\$ 3,000						
INTERNAL/ONSITE TRAINING										
Training	Tentative Date(s)	Approx. Per Member Cost	Approx. # Attendees	Maximum Cost	Fiduciary	Ethics	Regulatory	Best Practices	Plan Services	Investments
Fiduciary (at City)	TBD	\$ 267	15	\$ 4,000	x					
Regulatory (at City)	TBD	\$ 267	15	\$ 4,000			x			
Investments (at City)	TBD	\$ 67	15	\$ 1,000						x
Best Practices (at City)	TBD	\$ 200	15	\$ 3,000		x		x		
Total On-site Training Costs				\$ 12,000						
INDIVIDUAL TRAINING PROGRAMS										
Training	Tentative Date(s)	Approx. Per Member Cost	Approx. # Enrollees	Maximum Cost	Fiduciary	Ethics	Regulatory	Best Practices	Plan Services	Investments
INFRE Retirement Plan Administrator Series	n/a	\$ 550	5	\$ 2,750	x		x	x		x
Total Training Program Costs				\$ 2,750						

TRAINING BUDGET (MAXIMUM ADJUSTED FOR FY 15/16)

\$ 58,600

PROPOSED TRAINING EXPENDITURES (MAXIMUM FOR FY 15/16)

\$ 58,009

1. National Association of Government Defined Contribution Administrators (NAGDCA)

The National Association of Government Defined Contribution Administrators (NAGDCA) is an organization consisting of government and industrial members pursuing legislative enhancements to defined contribution plans and providing educational benefits to its membership. The annual conference is focused on issues affecting state and local government administrators of primarily Section 457 defined contribution plans. The conference generally includes sessions reviewing federal legislative developments, current trends on plan design and administration, and education on plan fundamentals.

Travel dates: September 2015
Travel destination: Indianapolis, Indiana
Attendees: Available Board/staff members

2. Pensions & Investments - East Coast or West Coast Conference

Pension and Investments is a company dedicated to providing comprehensive retirement and investment industry information via its online and distributed print editions. The annual bi-coastal conferences direct each agenda to current issues facing each region. The conferences are comprised of panel discussions and keynote speaker presentations regarding fiscal and administrative concerns. Conference registration for Plan Sponsors is complimentary if booked in advance.

Travel dates: March 2015 or October 2016
Travel destination: To be announced
Attendees: Two Board/staff members

3. International Foundation of Employee Benefit Plans

The International Foundation of Employee Benefit Plans is a non-profit organization that focuses on providing a wide array of educational and networking opportunities to professionals administering employee benefits and compensation. The Annual U.S. Employee Benefits Conference is formatted to provide a large list of seminar options in which attendees can build their itinerary from broader overall topics. Categories include Fiduciary Responsibility, Investments, Communication, or Administration/Technology.

Travel dates: October 2015
Travel destination: Honolulu, Hawaii
Attendees: Two Board/staff members

4. Plan Sponsor Council of America

The Plan Sponsor Council of America (PSCA) is a nonprofit association that provides services, best practice information, and advocacy to defined contribution plan sponsors. Members have access to a broad range of resources and programs that address the varying needs of both small and large companies. Membership includes 1,200 companies ranging in size from Fortune 100 firms to small, entrepreneurial businesses.

Travel dates: September 2015
Travel destination: To be announced
Attendees: Two Board/staff members

5. Mercer Global Investment Forum

Mercer is a world-wide firm comprised of professional consultants and experts in the fields of Health, Wealth, and People and works directly with its clients. The Mercer Global Investment Forums are a series of events around the world with focuses on idea sharing and networking between institutional investors and plan managers.

Travel dates: June 2016
Travel destination: To be determined
Attendees: Two Board/staff members

6. PLANSPONSOR National Conference

PLANSPONSOR is an organization focused on putting trending topics of the retirement industry into the hands of its public and private sector membership through its online content and print editions of the PLANSPONSOR magazine. The PLANSPONSOR National Conference is expected to showcase collaborations of field experts on legislation, education, and administration topics.

Travel dates: June 2016
Travel destination: To be announced
Attendees: Two Board/staff members

7. International Foundation of Employee Benefit Plans – Public Sector 457 Plans

The International Foundation of Employee Benefit Plans is a non-profit organization that focuses on providing a wide array of educational and networking opportunities to professionals administering employee benefits and compensation. Their Certificate Series programs are a series of courses provided towards pursuit of receiving a particular designation, but which can also be taken individually and separate from pursuit of a certificate.

Travel dates: To be announced – varies and offered bi-annually
Travel destination: To be announced – varies
Attendees: Two Deferred Compensation board/staff members

8. Wharton School Portfolio Course

In a partnership with the International Foundation of Employee Benefit Plans, the Wharton School of the University of Pennsylvania offers a Portfolio Concepts and Management course: a 3½-day course that offers lecture/discussion sessions, problem-solving exercises and small group breakout sessions. This course lays the groundwork for the core principles of portfolio theory and investment performance measurement, offering the practical tools and experiences needed to make sound investment management decisions.

Travel dates: April/May 2016 (actual dates to be determined)
Travel destination: Philadelphia, Pennsylvania
Attendees: One Deferred Compensation board/staff member