

Deferred Compensation Plan BOARD REPORT 15-13

Date: February 5, 2015
To: Board of Deferred Compensation Administration
From: Staff
Subject: Wharton School Portfolio Concepts and Management Training

*Board of Deferred
Compensation Administration
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Recommendation:

That the Board of Deferred Compensation Administration approve two individuals to attend the April 2015 Wharton School Portfolio Concepts and Management training in Philadelphia, Pennsylvania.

Discussion:

At its July 16, 2013 meeting, the Board approved the Plan's Training Program for FY 2014-15. Included in the Training Program was the Wharton School investment training. The Training Program contemplated one person attending at an estimated cost of \$5,850. However, two individuals have expressed an interest in attending: staff members Esther Chang and Board member Michael Amerian. Given this, and given that the cost of the program is substantially higher than the typical \$2,500 cost of an external training involving travel, staff recommends that the Board take action to authorize both individuals to participate in the training.

The IFEBP Wharton School Portfolio Concepts and Management course covers core principles of portfolio theory and investment performance measurement. Its focus is on providing practical tools for fiduciaries and managers in approaching investment management decisions. Instruction takes place over 3.5 days at the Wharton School in Philadelphia, Pennsylvania.

The Wharton School is regarded to offer exceptional investment-related training programs. In staff's view it would be beneficial to have both a staff person and Board member participate in this training. The knowledge gained will be beneficial in working with the Plan's investment consultant from an expanded knowledge base in the areas of investment performance review, investment provider procurement, and investment menu plan design. Having both a Board member and staff member perspective informed by this training should add greater depth to investment-related administration of the City's Plan.

Staff has updated its estimate of per-person costs of attending this training. As indicated in the following table, that cost is now estimated to be \$6,469 per person, or \$12,938 for both individuals:

ITEM	ESTIMATED COST
CONFERENCE REGISTRATION	\$4,695
HOTEL <i>\$195.20 per night x 4; \$169 base rate + taxes at 15.5%</i>	\$781
AIRFARE	\$625
BAGGAGE FEES	\$50
AIRPORT PARKING FEES/TRANSPORTATION	\$60
MEALS AND INCIDENTALS <i>Prorated per diem \$49.50</i>	\$198
GROUND TRANSPORTATION AT LOCATION	\$60
TOTAL ESTIMATE PER ATTENDEE →	\$6,469
TOTAL COSTS FOR TWO ATTENDEES →	\$12,938

At its January 20, 2015 meeting, the Board adopted an annual budget for 2015. That budget included a line item for training of \$59,178. That amount represented the upper range of potential expenditures if all Board members and staff availed themselves of all training opportunities provided for within the Board’s training program. As noted in that report, actual training expenditures have consistently been significantly below (approximately half) adopted budget amounts. As a result, even with approving two individuals attending the Wharton training, staff anticipates that training expenditures will remain at or below budget.

Submitted by: _____
Esther Chang

Approved by: _____
Steven Montagna