



# CITY OF *Los Angeles*

## DEFERRED COMPENSATION PLAN (DCP)

## Board Report 19-04

Date: January 15, 2019

To: Board of Deferred Compensation Administration (Board)

From: Staff

Subject: Projects and Activities Report: December 2018

### Board Members

**John R. Mumma**  
*Chairperson*

**Thomas Moutes**  
*Vice-Chairperson*

**Raymond Ciranna**  
*First Provisional Chair*

**Robert Schoonover**  
*Second Provisional Chair*

**Wendy G. Macy**  
*Third Provisional Chair*

**Joshua Geller**  
**Hovhannes Gendjian**

**Neil Guglielmo**

**Linda P. Le**

### **Recommendation:**

That the Board receive and file staff monthly activities report for December 2018, including updates regarding Communications; Project Updates; Board Information Requests; Completed Projects; Staffing; Committee Assignments; and Meeting Calendar.

### **Discussion:**

Following are activity updates for December 2018:

#### **A. Communications**

- **Annual Privacy Notice Mailing** – During the week of December 6, 2018, Voya Financial (Voya) mailed the 2018 Privacy Notice to all participants who elected electronic delivery of their statements. Participants who did not elect electronic delivery received the 2018 Privacy Notice as an insert with their third quarter statement, which was mailed out the week of October 22, 2018.
- **Appointment Scheduling** – A new online appointment scheduling feature has been added to assist participants in arranging meetings with local Voya Retirement Counselors. Participants have the option to schedule phone or in-person retirement counseling appointments via the DCP Resource Center’s “Contact Us” page.
- **LA457.com Update** – At its November 20, 2018 meeting, the Board approved changing the LA457.com landing page to the DCP’s new Resource Center, effective February 1, 2019. Messaging content for the change has been finalized and the email and postcard communications are being designed for issuance on or around January 18, 2019.

## B. Project Updates

- FDIC-Insured Savings Account - At its December 18, 2018 Board meeting, staff provided the Board with an update and findings regarding the Request for Proposal (RFP) for FDIC-Insured Savings Account providers. Staff indicated to the Board that a material issue arose during the evaluation related to the crediting rates to be utilized by the providers, in that two of the firms proposed a crediting rate based on the three month London Interbank Offered Rate (LIBOR) and that there was some possibility that LIBOR could cease to be available as a reference rate over the term of the contract. Staff further indicated that during performance exams all three banks had indicated a willingness to consider alternate crediting methodologies. The Board directed staff to work with Mercer Investment Consulting to review the potential for establishing a common crediting methodology and crediting contingencies for all three service providers and report back at the Board's January 15, 2018 meeting. Staff and Mercer have been in discussions with all three banks but those discussions had not concluded by the time of writing this report. As a result, staff's findings and final recommendations will be presented at the Board's February 19, 2018 meeting.
- Investment Advisory and Financial Education Services Review – Staff is in the process of developing its report and analysis and will convene the Plan Governance and Administrative Issues Committee within the first quarter of 2019. Outside tax counsel review will be part of completing the research and review process.
- Plan Document Review – Staff is in the process of developing its report and analysis and will convene the Plan Governance and Administrative Issues Committee within the first quarter of 2019. Outside tax counsel review will be part of completing the research and review process.
- Deemed IRA - Staff is in the process of developing its report and analysis and will present its findings to the Board within the first quarter of 2019. Outside tax counsel review will be part of completing the research and review process.

## C. Board Informational Requests

- Plan Administrator Quarterly Review Items - At its December 18, 2018 meeting, the Board requested statistics regarding comparable defined contribution plans that offer an employer matching contribution. Staff is working with Segal Consulting (Segal) to research this matter.

## D. Completed Projects

**Attachment A** provides a list of monthly completed projects.

## E. Staffing

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

Position Authority	Incumbent Class	Function	Est. Percent Reimbursed by DCP	Staff Member
<b>Personnel</b>				
Chief Personnel Analyst	Chief Personnel Analyst	Executive Director	20%	Steven Montagna
Senior Personnel Analyst II	Senior Management Analyst II	Operations Manager	30%	Isaias Cantú
Senior Personnel Analyst I	Senior Personnel Analyst I	Administration/Policy	100%	Matthew Vong
Management Analyst	Personnel Analyst	Metrics/Communications	90%	Daniel Powell
Management Analyst	Personnel Analyst	Governance/Special Projects	90%	Kevin Hirose
Benefits Specialist	Sr. Administrative Clerk	Participant Services	90%	Claudia Guevara
Administrative Intern I	Administrative Intern I	Research	100%	Sandeep Kaur
<b>City Attorney</b>				
Assistant City Attorney	Assistant City Attorney	Board Counsel	25%	Curt Kidder
Legal Assistant	Legal Assistant	Participant Legal Services	40%	Vicky Williams

## F. Committee Assignments


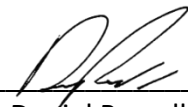
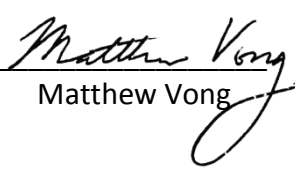
Following the Board's creation of a new Participant Engagement Committee (Committee), staff worked with Board members to identify interest in serving on the Committee, and the Board Chairperson has designated Committee membership accordingly. Following is the roster for all Board committees as designated by the Board Chairperson:

Plan Governance & Administrative Issues Committee	Investments Committee	Participant Engagement Committee
John R. Mumma, Chair	Raymond Ciranna, Chair	Wendy Macy, Chair
Joshua Geller	Neil Guglielmo	Joshua Geller
Wendy Macy	Hovhannes Gendjian	Hovhannes Gendjian
Thomas Moutes	Thomas Moutes	Neil Guglielmo

## G. Meeting Calendar

To assist the Board in planning for upcoming meetings, staff has developed a meeting calendar for the full 2019 calendar year (**Attachment A**). The meeting calendar includes events such as presentations from the Third-Party Administrator (TPA), investment consultant, and investment providers. Following consultation with the Board Chairperson, the calendar provides for a consolidated special meeting date of December 10, 2019, in lieu of the regular November and December meeting dates. The calendar is subject to change based on Board member availability. Investment provider presentations may also be adjusted based on provider availability. Meeting topics will further be refined as the year progresses. Updates will be provided to the Board through the monthly projects and activities report.

Submitted by:

 |  |   
Kevin Hirose      Daniel Powell      Matthew Vong

Approved by:

  
Steven Montagna

## COMPLETED PROJECTS &amp; 2019 MEETINGS CALENDAR

COMPLETED PROJECTS: December 2018		
#	STATUS	PROJECT
1	Completed	Board Report: Evaluation of Responses to Procurement for FDIC-Insured Savings Account Option
2	Completed	Board Report: Evaluation of Responses to Procurement for Financial Auditing Services
3	Completed	Board Report: Participant Engagement Committee
4	Completed	Board Report: 2018 National Retirement Security Week Campaign
5	Completed	Board Report: Staffing Cost Reimbursements Third Quarter 2018
6	Completed	Board Report: Projects and Activities Report: November 2018

BOARD 2019 MEETINGS CALENDAR		
Meeting Date	Agenda Item	Presentation
February 19, 2019	Board Report: FDIC-Insured Savings Account RFP Service Provider Crediting Methodologies and Selections	Quarterly Investment & Economic Review (4Q 2018)
	Board Report: DCP Participation and Gender Demographics	Investment Manager Presentation - Voya Mid Cap Opportunities Fund
	Board Report: DCP Projects & Activities Report: January 2019	
March 19, 2019	Board Report: Plan Governance Recommendations 2019 DCP Year Budget	TPA Quarterly Review as of December 31, 2018
	Board Report: Deemed IRA Review and Recommendations	
	Board Report: Quarterly Reimbursements, 4Q 2018	
	Board Report: DCP Projects & Activities Report: February 2019	
April 16, 2019	Board Report: DCP Annual Report 2018	
	Board Report: Plan Document Recommendation	
	Board Report: DCP Projects & Activities Report: March 2019	
May 21, 2019	Board Report: DCP Financial Education and Investment Advice Services Recommendation	Quarterly Investment & Economic Review (1Q 2019)
	Board Report: 2019 National Retirement Security Week Campaign	Investment Manager Presentation - Loomis Sayles Core Plus Bond Fund
	Board Report: DCP Projects & Activities Report: April 2019	
June 18, 2019	Board Report: Training-Travel FY 19/20	TPA Quarterly Review as of March 31, 2019
	Board Report: Quarterly Reimbursements 1Q 2019	
	Board Report: DCP Projects & Activities Report: May 2019	

July 16, 2019	Board Report: FY 2019-20 DCP Goals and Metrics Adoption	
	Board Report: DCP Projects & Activities Report: June 2019	
August 20, 2019	Board Report: Quarterly Reimbursements, 2Q 2019	Quarterly Investment & Economic Review (2Q 2019)
	Board Report: DCP Projects & Activities Report: July 2019	Investment Manager Presentation - Vanguard Institutional Index Funds
September 17, 2019	Board Report: FY 2020-21 Training/Travel Budget	TPA Quarterly Review as of June 30, 2019
	Board Report: DCP Projects & Activities Report: August 2019	
October 15, 2019	Board Report: NAGDCA Conference Review	
	Board Report: DCP Projects & Activities Report: September 2019	
December 10, 2019 <b>Special Meeting Date</b>	Board Report: DCP Revenue and Expense Review	Quarterly Investment & Economic Review (3Q 2019)
	Board Report: Quarterly Reimbursements, 3Q 2019	Investment Manager Presentation - Galliard Capital
	Board Report: NRSW Campaign Results	
	Board Report: DCP Projects & Activities Report: October and November 2019	