



CITY OF *Los Angeles*

DEFERRED COMPENSATION PLAN (DCP)

Board Report 19-16

Date: April 16, 2019

To: Board of Deferred Compensation Administration (Board)

From: Staff

Subject: Projects and Activities Report: March 2019

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 the monthly projects and activities report for March 2019, including updates regarding Communications; Activities; 2019 DCP Strategic Initiatives Update; Completed Projects/Meeting Calendar; Staffing; and Committee Assignments.

Discussion:

Following are project and activity updates for March 2019:

A. Communications

- LA457.com Financial Wellness Blog Posts – In March staff published two financial wellness blog posts: “Saving for College” and “Buying a First Home – Your Piece of the American Dream.”

B. Activities

- Cybersecurity Workshop – As discussed with the Board at its February 19, 2019 meeting, Personnel DCP staff and City Attorney staff attended a pilot cybersecurity workshop presented by Segal Consulting (Segal) on January 17, 2019. Staff is continuing to conduct research into this topic and will report to the Board at its May 21, 2019 meeting.
- Wharton School - Advanced Investments Management Training – Hovhannes Gendjian will be attending the Advanced Investments Management course, conducted by the Wharton School in Philadelphia, Pennsylvania, from April 28 through May 2, 2019.
- Defined Contribution Peer Network Meeting – Staff will be attending a meeting of the California Defined Contribution Peer Network (CA-DCPN) in Sacramento, California on June 26-27, 2019. The CA-DCPN consists of defined contribution plan sponsors for the City of Los Angeles, State of California, City/County of San Francisco, San Diego County,

County of Los Angeles, and the California State Teachers Retirement System. The CA-DCPN met regularly prior to 2012 but has not convened since. Staff reached out to reconvene the group and each entity enthusiastically indicated its interest. These meetings are extremely beneficial to all participants as they provide opportunities to engage in ongoing dialogue regarding how to enhance and optimize work processes to better meet the needs of each plan sponsor’s plan and participants.

C. 2019 DCP Strategic Initiatives Update

Attachment A provides the status of 2019 DCP Strategic Initiatives as adopted by the Board at its January 15, 2019 meeting.

D. Completed Projects/Meeting Calendar

Attachment B provides a list of monthly completed projects, as well as a calendar of upcoming Board meetings and proposed topics.

E. Staffing

Staff is continuing to work with the Personnel Department’s Personnel Services Section to fill its vacant position. In order to draw a wider range of candidates, staff expanded the process to include a concurrent Management/Personnel Analyst transfer opportunity. Interviews are expected to occur in the month of April. Following is a summary of staff positions supporting the DCP:


| Position Authority | Incumbent Class | Function | Est. Percent Reimbursed by DCP | Staff Member |
|-----------------------------|------------------------------|--------------------------------|--------------------------------|-----------------|
| Personnel | | | | |
| 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 | Vacant | Communications/Metrics | 100% | Vacant |
| Management Analyst | Personnel Analyst | Payroll/Participant Engagement | 90% | Daniel Powell |
| Management Analyst | Personnel Analyst | Budget/Operations | 90% | Kevin Hirose |
| Benefits Specialist | Benefits Specialist | Participant Services | 90% | Claudia Guevara |
| Administrative Intern I | Administrative Intern I | Research | 100% | Sandeep Kaur |
| City Attorney | | | | |
| 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 is the current committee roster 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 |

Submitted by:


Kevin Hirose


Daniel Powell

Reviewed by:


Isaias Cantu

Approved by:


Steven Montagna

2019 DCP STRATEGIC INITIATIVES

1. **Implement Strategies to Achieve Goals for Core Participant Outcomes**

Staff and Voya continue their work to develop and implement engagement strategies to improve participant outcomes in 2019.

2. **Conduct Annual DCP Long-Term Revenue and Expenses Review**

This project was completed on February 19, 2019, and addressed in Board Report 19-07.

3. **Expand Automatic Enrollment Program (AEP) Participation**

Staff is continuing its effort to expand participation in the AEP by conducting outreach to employee labor organizations.

4. **Complete Investment Manager Searches**

An update is provided in Board Report 19-13 for the April 16, 2019 meeting.

5. **Conduct Financial Audit**

The draft Professional Services Agreement with Crowe LLP to conduct a financial audit of the DCP is being reviewed by Board Counsel. Staff anticipates contract execution during the second quarter of 2019, with scheduling of the audit to occur shortly thereafter.

6. **Conduct Plan Document Review**

Staff completed the first draft revision of the Plan Document and submitted to Board Counsel for feedback and further direction, pending contract execution with outside tax counsel (Ice Miller). Once feedback is provided by Ice Miller, staff will convene the Plan Governance and Administrative Issues Committee for review of proposed revisions.

7. **Conduct Deemed IRA Review**

Staff is finalizing its report and analysis, and, following review by Board Counsel and Ice Miller, is tentatively expecting to present its findings to the Board at its May 21, 2019 meeting.

8. **Conduct Investment Advisory and Financial Education Services Review**

Staff met with Voya staff on February 19, 2019, to discuss and review their resources relating to providing investment advisory services. Other options for providing advisory

services are also being considered and will be included in a report to the Plan Governance and Administrative Issues Committee, which should take place during the second quarter of 2019.

9. Develop 2019 Strategic Communications Plan

The Participant Engagement Committee met on April 4, 2019 and provided direction to staff for its next meeting and a recommendation to the full Board contained in Board Report 19-14.

COMPLETED PROJECTS & 2019 MEETINGS CALENDAR

| COMPLETED PROJECTS: MARCH 2019 | | |
|--------------------------------|-----------|---|
| # | STATUS | PROJECT |
| 1 | Completed | Board Report: Investment Manager Search Update March 2019 |
| 2 | Completed | Board Report: Staffing Costs Reimbursements Fourth Quarter 2018 |
| 3 | Completed | Board Report: Projects and Activities Report: February 2019 |

| BOARD 2019 MEETINGS CALENDAR | | |
|------------------------------|---|--|
| Meeting Date | Agenda Item | Presentation |
| May 21, 2019 | Board Report: Deemed IRA Review and Recommendations | Quarterly Investment & Economic Review (1Q 2019) |
| | Board Report: 2019 National Retirement Security Week Campaign | Investment Manager Presentation – East West Bank |
| | Board Report: DCP Projects & Activities Report: April 2019 | |
| June 18, 2019 | Board Report: Quarterly Reimbursements 1Q 2019 | TPA Quarterly Review (1Q 2019) |
| | Board Report: Plan Document Recommendation | |
| | 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 | |