



# CITY OF *Los Angeles*

## DEFERRED COMPENSATION PLAN (DCP)

## Board Report 19-19

Date: May 21, 2019

To: Board of Deferred Compensation Administration (Board)

From: Staff

Subject: Plan Projects and Activities Report: April 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 activities report for April 2019, including updates regarding Communications; 2019 DCP Strategic Initiatives Update; Operations; Completed Projects/Meeting Calendar; Staffing; and Committee Assignments.

### **Discussion:**

Following are project and activity updates for April 2019:

#### **A. Communications**

- LA457.com Financial Wellness Blog Posts – In April, staff published four financial wellness blog posts on LA457.com: “Paying Off Your Student Loans,” “Five Easy Ways to Get an Excellent Credit Score,” “Why You Should Pay off These Three Debts Before You Retire,” and “Combining Your Retirement Savings into the Plan.” Blog post information is frequently refreshed in order to expand informational and educational resources and promote ongoing participant engagement with LA457.com.
- Distributions and Rollovers Surveys – Surveys are now issued on an ongoing basis to participants who elect either a full distribution or an outgoing rollover to an external account or advisor. The purpose of the surveys is to gather feedback regarding the reasons for their elections, their confidence level with respect to having sufficient income in retirement, and suggestions for improving the services and resources offered by the DCP. Since the survey was introduced in the second quarter of 2018, 66 responses have been received. Survey results will be incorporated into the Plan Administrator Quarterly Review beginning with the quarter ending March 31, 2019.
- First Quarter 2019 Statements – Voya confirmed that DCP participant statements and the newsletter for the first quarter of 2019 (three-month period ending 03/31/19) were mailed to DCP participants on April 22, 2019. Voya indicated that participants who

elected eDelivery were sent an email notification on April 18, 2019, informing them that their individual statement was available to view and download via the DCP website.

- Engagement Statistics – Outreach efforts helped prompt 10,215 unique visitors and 47,815 page views to the DCP Resource Center. The table below provides data on the top ten website topics accessed by participants during the month of April 2019.

Resource Center			
Page	Views	Page	Views
1. Homepage	41,980	6. Loans	256
2. Blog Post: Buying a First Home	805	7. Investment Options	255
3. Contact Us	658	8. Plan Highlights	233
4. Contribution Limits	423	9. Percent-of-Pay	207
5. Join the Plan	385	10. Plan Governance	195

Devices used to access the Resource Center are driven by desktop computers at 69%, followed by mobile devices at 25%, and tablets at 6%. Additionally, 68% of website traffic comes from directly accessing the website, 20% of website traffic comes from using a search engine (Google), 3% of website traffic comes via referral (Personnel Department webpage), and the remaining 9% comes from other sources.

The DCP Facebook page receives modest traffic. Staff has posted five financial wellness blog entries that directly link to the DCP Resource Center, as well as a photo of Voya representatives providing outreach services during a Police Department new employee orientation. In total, the posts have reached 444 unique individuals. Staff will continue to promote the DCP Facebook page by expanding some of the communication materials, particularly around upcoming events or campaigns. Staff can provide DCP Resource Center and Facebook page traffic statistics on an on-going basis to the Board through either the monthly activity reports or through the quarterly DCP statistical review prepared jointly by Voya and staff.

## B. 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.

## C. Operations

As approved by the Board at its **June 19, 2018** meeting and referenced in Board Report 18-30 – Authorization for Office and Administrative Equipment Purchases, staff purchased an iPad for participants and new enrollees to check in when meeting with a Voya representative. Through the use of the electronic check-in application, staff can now track the reasons for each visit, the time spent with each participant, and other data. Staff can analyze the data and use it to better understand what outreach services are needed for specific populations and allocate resources

accordingly. Additionally, after meeting with a Voya representative, participants who provide their email address via the electronic check-in application are sent a follow-up survey asking questions about their experience and satisfaction with the services provided. Staff has received extremely positive feedback from participants about their experience with the Voya representatives since implementing the electronic check-in procedure. Based on the success of adding this resource, the Employee Benefits Division is looking to expand the use of iPad check-in resources for its other counter operations.

**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 for a Management Analyst were conducted in April and the hiring process is continuing into May. Following is a summary of staff positions supporting the DCP:

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	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
<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 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 Cantú

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. DCP Executive Director Steven Montagna met with the Board's Labor Representative, Bob Schoonover, on May 10, 2019, to discuss potential strategies for moving forward. As a result of that meeting, staff will generate a report to the Board with recommendations related to AEP plan design as well as labor organization outreach strategies.

**4. Complete Investment Manager Searches**

An initial update was provided on April 16, 2019, and addressed in Board Report 19-13. Staff is providing additional updates in Board Report 19-17 for the May 21, 2019 meeting.

**5. Conduct Financial Audit**

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

**6. Conduct Plan Document Review**

The contract for outside tax counsel (Ice Miller) was executed in April 2019, with the contract term effective February 18, 2019 through February 17, 2022. Subsequently, Board Counsel discussed and forwarded to Ice Miller staff's first draft revision of the Plan Document for compliance review with federal tax law and to advise of any additional requirements. Pending feedback from Ice Miller and secondary review by Board Counsel, staff will convene the Plan Governance & Administrative Issues Committee to review the proposed revisions.

**7. Conduct Deemed IRA Review**

Staff is continuing its work on this project and tentatively planning to present its report to the Board at the June 18, 2019 meeting.

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

Staff met with Voya staff on February 19, 2019, to discuss and review its resources relating to providing investment advisory services. Other options for providing advisory services are being considered and will be included in a report to the Plan Governance & Administrative Issues Committee once its report is finalized.

**9. Develop 2019 Strategic Communications Plan**

Staff has been working and will continue to work with the Participants Engagement Committee and the Board to develop and implement a broad array of communications initiatives.

**COMPLETED PROJECTS & 2019 MEETINGS CALENDAR**

<b>COMPLETED PROJECTS: APRIL 2019</b>		
#	STATUS	PROJECT
1	Completed	Board Report: 2018 DCP Annual Report
2	Completed	Board Report: Stable Value Fund Investment Management Services Request for Proposal (RFP)
3	Completed	Board Report: Seminar Partnership with Los Angeles City Employees' Retirement System (LACERS)
4	Completed	Board Report: FY 2019-20 Offsite Training Program Interest
5	Completed	Board Report: Projects and Activities Report: March 2019

<b>BOARD 2019 MEETINGS CALENDAR</b>		
Meeting Date	Agenda Item	Presentation
June 18, 2019	Board Report: Expansion of Auto Enrollment Program Update	TPA Quarterly Review (1Q 2019)
	Board Report: Deemed IRA Review and Recommendations	
	Board Report: 2019 National Retirement Security Week Campaign	
	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: Plan Document Recommendation	
	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