



# Board Report 19-25

Date: June 18, 2019  
 To: Board of Deferred Compensation Administration (Board)  
 From: Staff  
 Subject: Plan Projects and Activities Report: May 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 May 2019, including updates regarding Communications and Administrative Updates; 2019 DCP Strategic Initiatives Update; Staffing; Committee Assignments; and Upcoming Board Meetings.

### Discussion:

Following are project and activity updates for May 2019:

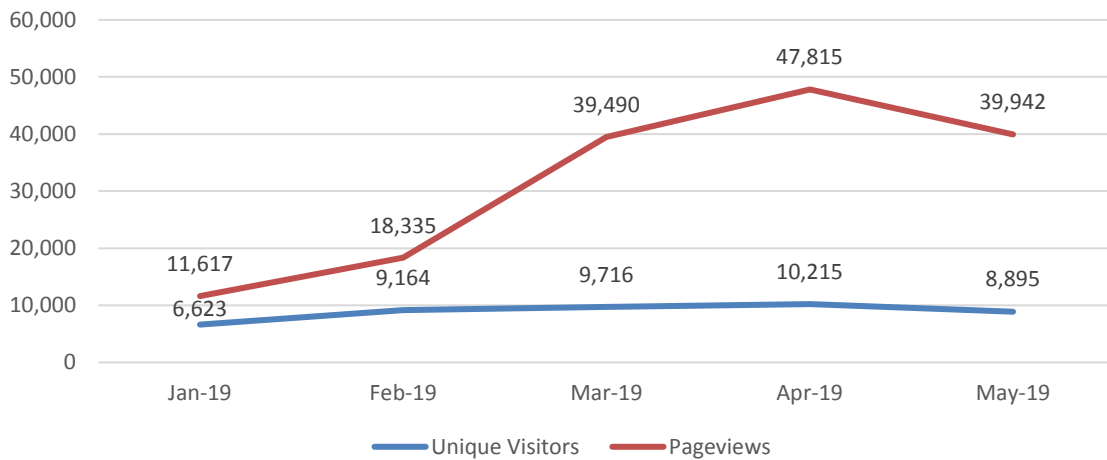
#### A. Communications and Administrative Updates

- LA457.com Financial Wellness Blog Posts – In May, staff published three financial wellness blog posts on LA457.com: “How to Build an Emergency Fund When You’re Counting Every Penny,” “Inherited IRA,” and “Getting a Tax Deduction on Your Moving Expenses.”

- Online Engagement Statistics – During the month of May, LA457.com saw 8,895 unique visitors and 39,942 page views. The table to the right provides a review of the top ten website topics accessed by participants during the month. The chart on page two tracks LA457.com unique visitors and pages viewed year-to-date.

Top 10 LA457.com Pages in May	Views
1. Homepage	34,665
2. Blog Post: Five Easy Ways to Get an Excellent Credit Score	1,038
3. Contact Us	592
4. Join the Plan	264
5. Investment Options	249
6. Contribution Limits	242
7. Plan Highlights	195
8. Percent-of-Pay	194
9. Plan Governance	169
10. Blog Post: Pay Off These Three Debts Before You Retire	159

### Year-to-Date LA457.com Traffic



The DCP Facebook page continues to receive modest traffic. Staff posted the financial wellness blog entry of “Receiving Your Inheritance,” which directly linked to LA457.com. The Facebook post reached a total of 56 unique individuals. Staff will continue to promote the DCP Facebook page by expanding its communication materials, particularly around upcoming events or campaigns, such as the Personnel Department Employee Benefits Division’s LIVEwell Wellness Festival in June and National Retirement Security Week in September. Engagement statistics of the DCP Resource Center and Facebook page will be incorporated into the Plan Administrator Quarterly Review beginning with the quarter ending June 30, 2019.

- House Resolution 1994: The SECURE Act – On May 23, 2019, the United States House of Representatives overwhelmingly passed (417-3) House Resolution 1994, the Setting Every Community up for Retirement Enhancement Act of 2019, also called the SECURE Act. The SECURE Act makes certain changes to the Internal Revenue Service (IRS) regulations that affect some defined contribution plans and individual retirement accounts (IRAs). If the legislation is passed by the Senate and approved by the President as-is, the following features of the bill will affect the DCP:
  - Traditional IRAs will no longer have a contributions age limit (relevant if the Board adopts a Deemed IRA option).
  - Penalty-free withdrawals up to \$5,000 will be allowed within one year of the birth or adoption of a child.
  - Required Minimum Distribution (RMD) age will increase from 70½ to 72.
  - Recordkeepers will be required to disclose on participant statements how their retirement savings translate to lifetime income.

Staff will continue to follow this and related legislation and will provide updates to the Board as new information becomes available.

- NAGDCA Webinar: City of LA Presentation – Staff member Daniel Powell will be conducting a webinar for the National Association of Government Defined Contribution Administrators (NAGDCA) on July 10, 2019, at 2:00 p.m. The title of the session is “Goals, Data, and Improving Participant Outcomes” and will focus on the City’s innovations in the area of driving and measuring success.

**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. Staffing**

Isaias Cantú, Senior Management Analyst II, accepted a transfer opportunity with the Los Angeles City Employees’ Retirement System, effective June 23, 2019. Additionally, effective June 2, 2019, Daniel Powell promoted to Senior Personnel Analyst I with the DCP. Mr. Powell was a Personnel Analyst in lieu of the DCP’s Senior Personnel Analyst I position authority. Staff is working to fill both vacancies. 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	Senior Personnel Analyst I	Administration/Participant Engagement	100%	Daniel Powell
Management Analyst	Personnel Analyst	Communications/Metrics	90%	Vacant
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

**D. Committee Assignments**

Following is the current committee roster as designated by the Board Chairperson:

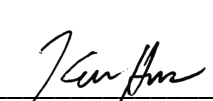
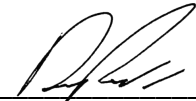
Plan Governance & Administrative Issues Committee	Investments Committee	Participant Engagement Committee
John R. Mumma, Chair	Raymond Ciranna, Chair	Wendy Macy, Chair
Joshua Geller	Neil Guglielmo	Joshua Geller
Wendy Macy	Hovhannes Gendjian	Hovhannes Gendjian
Thomas Moutes	Thomas Moutes	Neil Guglielmo

## E. Upcoming Board Meetings

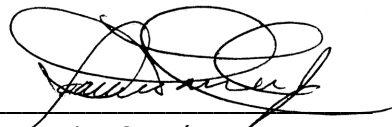
Following is a review of upcoming Board meeting agenda items:

Upcoming Board Meeting Agenda Items		
Meeting Date	Agenda Item	Presentation
July 16, 2019	Board Report: FY 2019-20 DCP Goals and Metrics Adoption	TPA Quarterly Review (1Q 2019)
	Board Report: Investment Manager Services RFP	
	Board Report: DCP Governance Options	
	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 - Bank of the West
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	


Submitted by:


  
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 Kevin Hirose                      Daniel Powell

Reviewed by:

  
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 Isaias Cantú

Approved by:

  
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 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. Voya will present a review of progress toward DCP goals at the Board's July 2019 meeting.

**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 prepared Board Report 19-22 for the June 18, 2019 meeting which recommends next steps for outreach to employee labor organizations.

**4. Complete Investment Manager Searches**

At its May 21, 2019 meeting, the Board reviewed Board Report 19-17 which provided a draft investment management services request for proposal (RFP) for Board review. The Board directed staff to conduct further research regarding ways to provide the Board with greater latitude in selecting an investment manager. This topic is addressed in Board Report 19-20 to be presented at the June 18, 2019 meeting.

**5. Conduct Financial Audit**

The draft Professional Services Agreement with Crowe LLP to conduct a financial audit of the DCP is currently being finalized by the City and Crowe. Staff anticipates contract execution during the third 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. Ice Miller's feedback is pending.

**7. Conduct Deemed IRA Review**

Staff has prepared Board Report 19-21 to be presented at the Board's June 18, 2019, meeting. The report provides a review of Deemed IRA design options available to the DCP and recommends general program parameters as well as next steps the Board may take.

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

Staff is finalizing its report and anticipates convening the Plan Governance & Administrative Issues Committee in July 2019 to discuss the DCP's options regarding financial education and investment advisory services.

**9. Develop 2019 Strategic Communications Plan**

The Participant Engagement Committee is next scheduled to meet on August 15, 2019. The meeting will be an informational and interactive workshop led by communications professionals from Segal Consulting. The workshop will detail best practices as they relate to retirement communications and how to implement key principals of behavioral economics.