



Board Report 21-34

Date: June 15, 2021
To: Board of Deferred Compensation Administration
From: Staff
Subject: Deferred Compensation Plan Projects and Activities
Report: May 2021

Board of Deferred Compensation Administration

Thomas Moutes
Chairperson

Raymond Ciranna
Vice-Chairperson

Robert Schoonover
First Provisional Chair

Neil Guglielmo
Second Provisional Chair

Joshua Geller
Third Provisional Chair

Linda P. Le

Wendy G. Macy

Baldemar J. Sandoval
WPERP Representative
Vacant

Recommendation:

That the Board of Deferred Compensation Administration (Board) approve proposed changes to the Board Election Policies and Procedures regarding documenting emergency actions taken by the Board to ensure transparency to the public (**Attachment B**).

Discussion:

Following are Deferred Compensation Plan (DCP) project and activity updates for May 2021:

A. Operations and Project Updates

- **Board Election Policies and Procedures Proposed Changes** – At its May 7th special meeting, the Board approved changes to Section P of the Board Election Policies and Procedures providing the Board the ability to amend the election schedule due to administrative issues that may impact the conduct of an election. The Board further directed staff to return to the Board to add language to Section P regarding documenting emergency actions taken by the Board to ensure transparency to the public. Staff consulted with the City Attorney and has drafted the below language to add to Section P to address the Board’s request (additional language in red-colored, italic font):

Section P. Emergency and Corrective Board Actions

The Board may take certain actions relative to the election process in the event of a local emergency declared by the City of Los Angeles, the County of Los Angeles, the State of California, or the Federal government that significantly impacts the conduct of an election. In such an event, the Board shall be able to enact temporary emergency election procedures to provide for the timely conduct of elections in accordance with the Board’s Election Policies and Procedures. Additionally, the Board may take certain actions to an adopted election schedule in the event of certain administrative errors

associated with the conduct of the election provided the Board finds that such modifications are necessary to support the enfranchisement of all participants who are eligible to vote in such election. *The Board, through its staff, shall ensure that (a) its actions are fully detailed and documented in its reports and minutes; (b) these reports and minutes are made available on the DCP website; and (c) its actions are communicated to the impacted voting population and candidates through DCP various available media, including direct and electronic mail, and posting on the DCP website.*

Staff completed these actions with respect to the current election for the Retiree Representative Board seat (additional information in next bullet) and recommends that the Board adopt the proposed language changes to Section P of the Board Election Policies and Procedures.

- **DCP 2021 Board Elections Update** – As previously reported to the Board at its May 7th special meeting, due to administrative issues which resulted in some voters not receiving ballots, the election for the Retiree Representative Board seat was extended from May 13th to May 27th to ensure all eligible participants were provided a ballot and sufficient time to vote. Ballots were mailed to these participants by the City Clerk on the afternoon of May 7th after the Board took action to extend the election date. Subsequently, a postcard was mailed the following week on May 14th to all eligible voters (approximately 13,000) to notify them that the election date had been extended to May 27th. Additionally, on May 14th, Voya sent an email to all eligible participants with an email address on file regarding the extension of the election date. The unofficial ballot tally was conducted on Tuesday, June 1st. Based on the results of the unofficial ballot tally, Thomas Moutes was declared the winner of the election for the Retiree Representative Board seat. The City Clerk will certify the election results on Thursday, June 10th.

A special election for the Active Water and Power Employee's Retirement Plan Board seat will be held in the third quarter of 2021 as a result of no candidates meeting the qualifications to be placed on the official ballot for the regular election which had been scheduled on May 13th. The Board approved suspending the signatures-gathering requirement for the upcoming special election at its last meeting on May 18th.

- **DCP Budget versus Actuals Comparison** – At the Board's January 19th meeting, Board member Ray Ciranna requested that staff prepare a comparison of budgeted versus actual expenditures for the prior three calendar years. Staff has completed this review and the information is provided in **Attachment C** for the Board's review. Moving forward, staff will include budgeted versus actual expenditures in the DCP annual budget that is approved by the Board in the first quarter of the calendar year.
- **2021 National Association of Governmental Defined Contribution Administrators (NAGDCA) Annual Conference Update** – NAGDCA has decided to host its 2021 annual conference 100% virtually due to budget constraints, travel restrictions, and the safety of members. Similar to the 2020 annual conference, NAGDCA will host a virtual program

which will include a variety of topical sessions and small group discussions providing attendees the opportunity to learn and network with peers. The virtual conference will be held from September 13-16, 2021. The event schedule is as follows:

NAGDCA ANNUAL 2021 Virtual Conference

September 13-16

| | Monday, September 13, 2021 | | Tuesday, September 14, 2021 | | Wednesday, September 15, 2021 | | Thursday, September 16, 2021 | |
|---------|----------------------------|--|-----------------------------|--|-------------------------------|--|------------------------------|---|
| 1:00 PM | 1:00pm | Opening Session | 1:00pm | General Session - Legislative Update | 1:00pm | General Session - Evolution of the DC Plan Menu | 1:00pm | 2021 NAGDCA Awards Presentation |
| | 1:05pm | Keynote Speaker | | | | | | |
| | 1:50pm | Break (10 min) | 1:50pm | Break (10 min) | 1:50pm | Break (10 min) | | |
| 2:00 PM | 2:00pm | Learning Labs with Breakout Discussions (2 options) - <i>Make it Personal - Developing Data Driven Communications / The Long View - Decumulation Solutions</i> | 2:00pm | Learning Labs with Breakout Discussions (2 options) - <i>Understanding Plan Fees and Value Proposition / Improving Plan and Participant Outcomes through DEI Initiatives</i> | 2:00pm | Learning Labs with Breakout Discussions (2 options) - <i>Public and Private - Exploring lessons learned from both sectors / The Value of an Effective Participant Engagement Program</i> | 2:30pm | Government Member Business Meeting |
| | 3:15pm | Break (15 min) | 3:15pm | Break (15 min) | 3:15pm | Break (15 min) | | |
| 3:00 PM | 3:30pm | General Session - <i>Retirement Plan Trends - Exploring the Public Retirement Research Lab (PRRL)</i> | 3:30pm | General Session - <i>DB Pensions and DC Plans - Working in tandem to achieve financial security</i> | 3:30pm | General Session - <i>The Next Generation of Financial Wellness</i> | | |
| | 4:20pm | Wrap-Up from the Day | 4:20pm | Wrap-Up from the Day | 4:20pm | Closing Session | | |
| 4:00 PM | 4:30pm | Day 1 Concludes | 4:30pm | Day 2 Concludes | 4:30pm | Day 3 Concludes | 4:00pm | Industry Member Business Meeting and Member-at-Large Election |
| | 5:00 PM | | 5:00pm | Networking Event | | | | |

The cost to attend is \$200 per registrant. This is a fraction of the approximately \$2,500 cost the DCP would have incurred for an in-person event. Any registrant will be able to access the content as a recording at any time after the conference. Given the low cost, ease of content accessibility, and that external training opportunities continue to be limited, enrolling for this event is strongly encouraged for all Board members. Staff will reach out to Board members to solicit their interest in attending the virtual conference.

- Fiscal Year (FY) 2021-22 Travel & Training Program Update** – At its September 15, 2020 meeting, the Board adopted the FY 2021-22 Travel & Training Program. As the City’s ban on non-essential travel remains in place, all plans to attend conferences or trainings identified in the FY 2021-22 Travel & Training Program are currently on hold. Staff will monitor updates from the Mayor’s Office on the City’s travel policy and report back to the Board on any changes.

B. Communications Updates

- Setting Every Community Up for Retirement Enhancement (SECURE) Act and Consolidated Appropriations Act (CAA) Provisions** – At its March 16th meeting, the Board adopted SECURE Act and CAA provisions providing for: 1) distribution of funds due to birth or adoption; 2) in-service distributions for participants beginning in the calendar year in which they turn age 59½; and 3) temporary disaster relief distributions and loans. Subsequently, staff worked with Voya on finalizing the forms and internal processes for administering these new provisions for DCP participants. Staff released a Citywide email

on May 12th regarding the new provisions and also published an FAQs blog post on the DCP website at LA457.com to provide participants with additional information on how to access these new provisions.

- **Money Matters Zoom Virtual Meetings** – In October 2020, staff launched “Money Matters” virtual meetings for employees to interact with DCP local retirement counselors via Zoom. During these sessions, local retirement counselors provide education on various DCP topics and answer participant questions.

Specialized Separation Incentive Program (SIP) meetings are held on the first Tuesday of every month from 12 noon to 1:00 pm and general DCP information virtual meetings are held on the third Wednesday of every month from 12 noon to 1:00 pm. The last SIP session was held on May 4th. Attendance for the May virtual meetings is provided in the chart below:

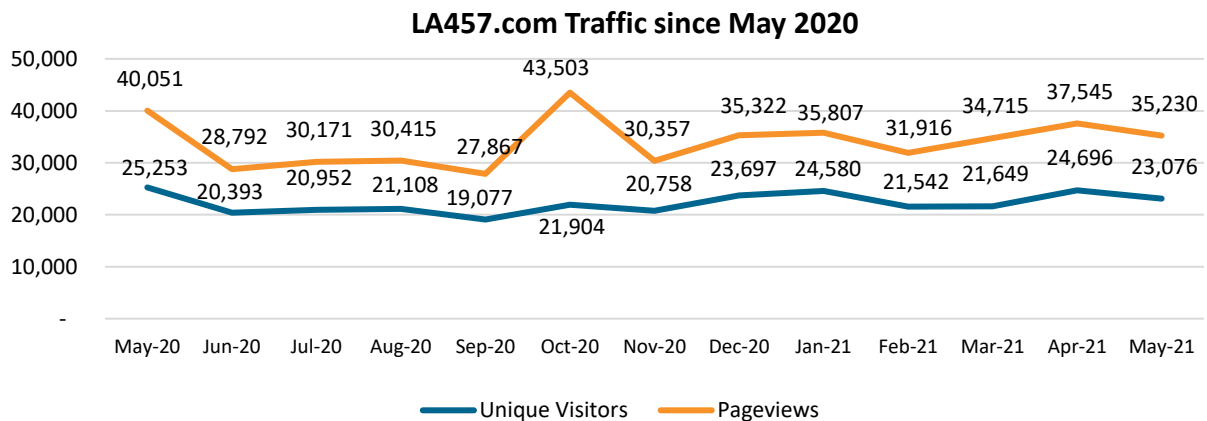
| Topic | Date | Attendance |
|----------------------|--------------|------------|
| SIP Q&A | May 4, 2021 | 18 |
| Distribution Options | May 19, 2021 | 156 |

- **LA457.com Engagement Statistics: May 2021**

LA457.com saw **23,076** unique visitors and **35,230** pageviews. The table to the right provides a review of the top ten website topics accessed by participants during the month.

| Top 10 LA457.com Pages in May 2021 | | Views |
|------------------------------------|--|--------|
| 1. | Home | 24,154 |
| 2. | Secure Act and Consolidated Appropriations Act Highlights FAQs | 1,543 |
| 3. | Contact Us | 1,093 |
| 4. | FAQs | 778 |
| 5. | Retirement Counselor Calendar | 744 |
| 6. | Board Meeting Materials | 605 |
| 7. | Contributions | 579 |
| 8. | Join the Plan | 524 |
| 9. | Money Matters: Distribution Options | 425 |
| 10. | Investments Committee Materials | 361 |

The following chart tracks LA457.com unique visitors and pages viewed since May 2020.



C. 2021 DCP Strategic Initiatives Update

Attachment A provides a status review of 2021 DCP Strategic Initiatives as adopted by the Board at its January 19, 2021 meeting.

D. Staffing

The following table provides 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 Benefits Analyst II | Senior Benefits Analyst II | Plan Governance | 40% | Jenny M. Yau |
| Senior Benefits Analyst I | Vacant | Plan Administration | 100% | Vacant |
| Benefits Analyst | Management Assistant | Communications | 100% | Eric Lan |
| Benefits Analyst | Benefits Analyst | Operations | 100% | Mindy Lam |
| Benefits Specialist | Benefits Specialist | Participant Services | 100% | Claudia Guevara |
| DCP Intern | DCP Intern | Participant Research | 100% | Rose Moore |
| City Attorney | | | | |
| Assistant City Attorney | Assistant City Attorney | Board Counsel | 25% | Curtis Kidder |
| Legal Assistant | Legal Assistant | Participant Legal Services | 40% | Vicky Williams |

E. Committee Assignments

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


| Plan Governance and Administrative Issues Committee | Investments Committee | Participant Engagement Committee | Ad Hoc Committee on DCP Autonomy |
|---|------------------------|----------------------------------|----------------------------------|
| Joshua Geller, Chair | Raymond Ciranna, Chair | Neil Guglielmo, Chair | Thomas Moutes, Chair |
| Thomas Moutes | Joshua Geller | Joshua Geller | Raymond Ciranna |
| Baldemar J. Sandoval | Neil Guglielmo | Baldemar J. Sandoval | Joshua Geller |
| | | | Neil Guglielmo |

F. Upcoming Board Meetings

Following is a review of upcoming Board meeting agenda items:

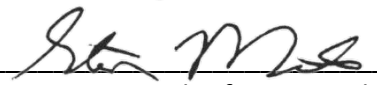
| Meeting Date | Proposed Agenda Items |
|-----------------|--|
| July 20, 2021 | <ul style="list-style-type: none">• Board Report: FY 2021-22 DCP Participant Goals and Strategies• Board Report: 2021 DCP Board Election Results• Board Report: Fiduciary Liability Insurance• Board Report: DCP Plan Projects & Activities Report: June 2021 |
| August 17, 2021 | <ul style="list-style-type: none">• Quarterly Investment & Economic Review – Quarter 2 2021• Self-Directed Brokerage Account Review and Provider Presentation• Board Report: Quarterly Reimbursements – Quarter 2 2021• Board Report: 2021 National Retirement Security Month Campaign• Board Report: DCP Plan Projects & Activities Report: July 2021 |

Submitted by:



Jenny M. Yau, Senior Benefits Analyst II

Approved by:



Steven Montagna, Chief Personnel Analyst

2021 DCP Strategic Initiatives

1. Conduct Defined Contribution (DC) Plan Manager Position Selection Process (New)

Background: At its October 20, 2020 meeting, the Board approved several recommendations with respect to the salary and recruitment considerations for the new DC Plan Manager position, including setting the salary of the classification at the level of Chief Personnel Analyst and requesting exemption of the new position from civil service and an unfreeze to fill the position.

Status: In process. The ordinance to establish the salary range of the new classification at the level of Chief Personnel Analyst was approved by the Personnel and Animal Welfare Committee on April 7, 2021 and by the City Council on April 14, 2021. An update regarding the request to exempt the position from civil service and proposed recruitment plan is addressed in Board Report 21-30.

2. Develop Board Findings Regarding Filing of Statements of Economic Interests and Related Requirements (New)

Background: In connection with DCP autonomy provisions in the recently adopted Memorandum of Understanding between the Board and Personnel Department, the Board adopted a strategic initiative to establish its findings with respect to identifying positions required to file Statements of Economic Interests and coordinating related requirements.

Status: Completed. Staff's analysis and recommendation were addressed in Board Report 21-09. Staff has been working with the Personnel Department's Personnel Services staff and the City's Ethics Commission to help facilitate and advance updates to the Personnel Department Conflict of Interest Code. Staff will report back to the Board with updates as developments occur.

3. Complete Plan Document Review (Continued)

Background: Staff has been working with Board counsel and the Plan Governance and Administrative Issues Committee to revise the DCP Plan Document.

Status: In process. The revised Plan Document was reviewed by the Board at its April 20th meeting. The Board provided additional feedback and comments which have been incorporated into the next version of the Plan Document and is presented in Board Report 21-31 for the Board's final review and approval at today's meeting.

4. Complete Investment Manager Searches (Continued)

Background: The Board is in the process of executing provider searches for all of its investment mandates.

Status: In process. On February 16, 2021, the Board selected Galliard Capital Management (Galliard) as the DCP Stable Value Fund provider. Staff is currently working with Galliard staff to negotiate and draft a new five-year contract in consultation with Board counsel.

The results of search processes for DCP passively managed funds were addressed in Board Reports 21-19. Staff's report back to the Board regarding options for fee reductions within a collective fund account structure for the proposed Passive Bond and Passive Large-Cap Stock equity strategies was addressed in Board Report 21-26.

Additional Investments Committee meetings will be scheduled to complete the evaluation of search responses for DCP actively managed funds.

5. Complete Investment Advisory and Financial Education Services Review (Continued)

Background: Staff and the Board have been reviewing the potential for offering investment advisory and financial education services. A Request for Information (RFI) for investment advisory and/or financial education services was issued on the City's Los Angeles Business Assistance Virtual Network on March 4, 2020 with responses due on April 7, 2020, resulting in four responses. Staff's evaluation of the responses to the RFI was addressed in Board Reports 20-34 and 20-38.

Status: In process. Staff's updated analysis and recommendations were addressed in Board Report 21-21.

6. Complete Request for Proposal for DCP Investment Consulting Services (New)

Background: The term of the contract with the DCP's investment consultant, Mercer will end on December 31, 2021 (total 6.5 year term). Mercer currently provides three primary categories of services under its contract: (1) ongoing investment performance monitoring and reporting; (2) investment manager searches; and (3) ad hoc miscellaneous research and other assignments.

Status: In process. The draft RFP for DCP investment consulting services was approved by the Board at its March 16, 2021 meeting. The RFP was released on the City's www.labavn.org website on April 14, 2021 with proposals due on May 20th. At its last meeting on May 18th, staff reported that proposed vendors were having difficulty logging into the LABAVN website due to a systems update and migration performed by the Information Technology Agency (ITA) staff and as a result, the deadlines for each step in the RFP process were extended by three weeks to allow proposed vendors to work with ITA to resolve any login issues. Due to vendors continuing to experience technical issues with the LABAVN system, staff extended the RFP deadlines an additional two weeks. Staff continued to work with the vendors and ITA throughout this process and subsequently confirmed with each vendor that they successfully resolved their technical issues. Based on the new timeline, proposals are now due June 24th which is five weeks from the initial due date of May 20th. Accordingly, staff's review and evaluation of the proposals will be delayed slightly as a result of this setback but should not impact the overall timeline to select a vendor and execute a contract for DCP investment consulting services effective January 1, 2022 (the current contract with the incumbent provider, Mercer expires on December 31, 2021). Staff will continue to update the Board on the status of the RFP in the DCP projects and activities report.

7. Initiate DCP Financial Audit (Continued)

Background: The contract with Crowe LLP to provide financial audit services for the DCP was executed on December 18, 2020.

Status: Pending. On January, 6, 2021, staff met with Crowe LLP staff to discuss a proposed plan for the commencement of a financial audit. Staff reviewed the information provided by Crowe and staff's analysis and recommendations were addressed in Board Report 21-15. This project is temporarily suspended pending filling staff vacancies.

8. Design Automatic Enrollment Program (AEP) Supplemental Model (Continued)

Background: In May 2018, the Los Angeles Police Protective League (LAPPL) signed a letter of agreement adopting the DCP's AEP. DCP staff subsequently engaged in meetings with labor organization leaders to gather feedback about AEP interest. At its June 18, 2019 meeting, the Board approved staff's recommendation to coordinate a meeting of interested employee labor organizations to gather feedback and gauge interest in the AEP.

Status: In process. Staff has developed a discussion document for the City's labor organizations with respect to designing a supplementary optional AEP model. Under this option, labor organizations could elect a model providing for a higher default contribution rate, higher and faster auto escalation of the contribution rate, and/or applying automatic enrollment to current non-participating employees (not just new hires). Staff anticipates opportunities to proceed with discussions with labor organizations in the second quarter of 2021.

9. Develop Options for Deemed IRA Investment Menu (Continued)

Background: At its December 15, 2020 meeting, the Board reviewed staff's analysis of the Deemed IRA option in Board Report 20-45 and adopted staff's recommendation to direct the Investments Committee to work with staff and the DCP investment consultant to develop options and considerations for a potential alternative investment menu design for the DCP Deemed IRA.

Status: In process. Staff is working with Mercer as part of its evaluation of the Investment Management Services RFP to consider potential investment options for a Deemed IRA. Actual implementation of a Deemed IRA would be determined based on future actions to be taken by the Board.

10. Adopt Fiscal Year 2021-22 Participant Goals (New)

Background. On a fiscal year basis, the Board adopts DCP participant goals related to participation, contributions, distributions, and asset retention.

Status: In process. Staff will be working with Voya to review and analyze the results of the DCP's FY 2020-21 participant goals ending on June 30, 2021. Staff will also take into consideration the current financial and economic backdrop in informing the setting of goals for the new fiscal year which starts on July 1, 2021.

11. Implement Participant Survey Plan (Continued)

Background: The DCP periodically conducts surveys to assess participant feedback on various topics which are useful for the Board’s consideration of service and plan design feature improvements or additions.

Status: In process. Staff has completed a preliminary review of an approach involving shorter and repeated “micro-surveys” to encourage responsiveness and develop trend data over time. The draft surveys and staff’s proposal for issuing the surveys is addressed in Board Report 21-33.

12. Develop DCP Communications Strategic Plan (Continued)

Background: The Board adopted as a strategic initiative the development of a DCP communications strategic plan that would provide a roadmap for creating effective and coordinated DCP messaging for the purpose of increasing employee participation, engagement, awareness, and satisfaction.

Status: In process. Staff has completed its draft plan for incorporating creative strategies for obtaining data and feedback from participants and integrating this information into a communications and engagement plan that is flexible and iterative. The proposed draft plan along with the proposed participant surveys (strategic initiative number 11) is addressed in Board Report 21-33.

BOARD OF DEFERRED COMPENSATION ADMINISTRATION ELECTION POLICIES & PROCEDURES

Adopted by the Board of Deferred Compensation Administration on March 20, 2007
*Revised January 20, 2009; revised February 17, 2009; revised February 21, 2012;
revised March 31, 2020; revised December 15, 2020; revised May 7, 2021*

Section A. Purpose

To establish election procedures for the Board of Deferred Compensation Administration (hereafter "Board") members representing the active participant membership of the (a) Los Angeles City Employees Retirement System (hereafter "LACERS"); (b) Fire and Police Pensions (hereafter "LAFPP"); and (c) Water and Power Employees' Retirement Plan (hereafter "WPERP"); and (d) the member representing participants who have retired or otherwise separated from City service.

Section B. Definitions

When the initial letter of a word or phrase is capitalized herein the meaning of such word or phrase shall be as follows:

- 1) "Ballot Statement" shall mean a statement signed by the Office of the City Clerk (City Clerk) stating that all ballots received by the City Clerk have been counted.
- 2) "Ballot Tally" shall mean the counting of the ballots received by the City Clerk following an election in the manner described under Section K.
- 3) "Election Day" shall mean the date an election is to be held and the last day for ballots to be cast.
- 4) "Spoiled Ballot" shall mean a ballot that has been determined to be void by the City Clerk which may include a ballot that has stray marks or is damaged.
- 5) "Challenged Ballot" shall mean a ballot where the intent of the voter or voter information cannot be ascertained.
- 6) "Tally Results" shall mean the official results of the Ballot Tally.

Section C. Term of Office

The terms of all elected positions shall be for three years beginning on the first day in July of the year of their respective elections pursuant to City of Los Angeles Administrative Code Division 4, Chapter 14, Section 4.1407.

Section D. Time of Election

- 1) The election shall be held triennially during the month of May that precedes the month in which the term of office for a member of the Board is set to expire. The date of the election shall be designated by the Deferred Compensation Plan (DCP) staff not sooner than 90 days before the Election Day.
- 2) The election shall be held by secret ballot and shall be administered by the City Clerk. The City of Los Angeles Deferred Compensation Plan shall reimburse the City Clerk for all necessary expenses incurred in the administration of Board member elections and special elections.

- 3) Eligible voters shall be only those DCP participants with a balance in the DCP and who are members of a constituent group for which an election is being held on that Election Day. To be a member of a constituent group means that one is either: (a) an active employee member of LACERS, LAFPP, or WPERP; or (b) a participant who has retired or otherwise separated from City service.
- 4) DCP staff shall provide to the City Clerk a primary roster, in alphabetical order, of eligible voters as of 30 days prior to Election Day. The roster shall contain the name, address, and last four digits of the social security number (employee ID numbers for WPERP employees) of each eligible voter.

Section E. Nomination of Candidates and Official Ballot

Only members of the appropriate constituent group who have been nominated as provided in this article shall be eligible to have their names placed on the official ballot for the election. In order to have their name placed on the official ballot, the member seeking to run as a candidate for a Board seat shall submit a completed nominating petition as provided for in this section. Failure to submit a completed nominating petition as provided for in this section shall result in the candidate's name not being placed on the official ballot.

- 1) Nominating petitions shall be made available at the DCP staff office in City Hall or, if the Board designates, electronically to members of the appropriate constituent group, not more than 60 days prior to Election Day.
- 2) The nominating petition shall have a designated space for each eligible voter to sign. Each person signing the nominating petition shall provide their name, the department in which they are employed, and the date of signing. The Board may designate that electronic signatures be collected in lieu of physical signatures, and both physical and electronic signatures shall be counted to satisfy any candidate requirements.
- 3) In order for LACERS, LAFPP, or WPERP active employee member candidates to qualify to be placed on the official ballot, the nominating petition shall be signed by not fewer than 50 and not more than 100 individuals who are members of the DCP and respective constituent group. Signatures collected on the nominating petition shall be verified and validated by the City Clerk as described further in Section E4. In order for candidates separated from City service to qualify to be placed on the official ballot, the candidate must submit a completed nominating petition with no constituent signatures. Nominating petition signatures are not required for the separated from City service constituent group.
- 4) The nominating petition shall be submitted to the DCP staff by a date and time established by the DCP staff that is not more than 14 days from the date that the nominating petition is first made available to the candidates. The City Clerk shall verify that those persons signing the nominating petition were members as of the date of signing, and shall certify the sufficiency or insufficiency of each nominating petition, and shall so notify the candidate by registered mail.

- 5) Along with the submission of the signed nominating petition, interested candidates have the option to include an occupational ballot designation and a 250-word statement of qualifications for office for the provision of information to the electorate. The occupational ballot designation shall be printed on the ballot immediately under that candidate's name and shall consist of a three-word designation of either: (a) the current principal profession, vocation, or occupation of the candidate, or (b) the principal profession, vocation, or occupation of the candidate during the calendar year immediately preceding the filing of the candidate's nominating petition. The standards for occupational ballot designations contained in the City's Election Code Section 306 are to be applied by the City Clerk as applicable, except that a candidate who is running for an elective office, which that person currently holds, shall have "(Incumbent)" printed on the ballot, immediately after that person's name, in addition to the candidate's occupational ballot designation.
- 6) The statement of qualifications for office may include information such as education, work experience, years of service, and other relevant qualifications and shall not exceed 250 words in length. Any words beyond the 250 word limit shall not be printed by the City Clerk. Qualification statements that are submitted by the due date, as established by the DCP staff under paragraph (4), shall be printed by the City Clerk and mailed with the ballot at no expense to the candidate.
- 7) The statement of qualifications shall include a disclaimer stating that neither the Board nor the City Clerk has verified the accuracy of the information contained in the candidates' qualification statements.
- 8) Should any candidate fail to submit an occupational ballot designation and/or a statement of qualifications by the specified due date, the appropriate sections for the occupational ballot designation and/or qualification statement shall include a statement indicating that the candidate declined to submit an occupational ballot designation and/or a statement of qualifications.
- 9) Prior to the Election Day, the City Clerk shall conduct a public drawing of the letters of the alphabet. Each of the letters of the alphabet shall be drawn by random. The order in which the letters are drawn shall determine the order by which the surnames of the candidates shall be printed on the official ballot. The term "surname" shall mean the name borne in common by members of a family for this purpose.
- 10) Each official ballot shall contain the names of all candidates who have qualified in accordance with this section. There shall be a blank space beneath these names in which the voter may write the name of any employee member of the DCP and respective constituent group not printed on the official ballot and for whom the voter may wish to vote.

Section F. Third Party Candidate Support

In certain situations, funds used by third parties in order to support candidates for positions on the Board may be considered reportable gifts under State and City ethics

rules and laws. These rules and laws include, but are not limited to, California's Political Reform Act of 1974, the City of Los Angeles Governmental Ethics Ordinance, and related interpretations and regulations. Candidates are strongly encouraged to contact the Los Angeles City Ethics Commission for further information.

Section G. Notice of Election

- 1) Not more than 90 but not fewer than 60 calendar days prior to Election Day, the DCP staff shall notify the City Clerk of the fact of the election.
- 2) Not more than 30 but not fewer than 20 calendar days prior to Election Day, the DCP staff shall have prepared a Notice of Election specifying the election date, including a sample ballot containing the name of each candidate who has qualified to be placed on the official ballot, rules concerning eligibility to vote, and any additional information and instructions the City Clerk determines are appropriate. A copy of the Notice of Election shall be posted in the Office of the City Clerk and to its website.

Section H. Observers to the Ballot Tally

Each candidate whose name appears on the official ballot may designate no more than two observers at the tally center to observe that ballots are properly cast and votes are properly counted. In addition to these designated observers, candidates may also observe. Names of all observers, including any candidates who desire to attend, shall be presented to the City Clerk not less than three calendar days prior to Election Day. Designated observers shall wear identification badges at all times, shall not interfere in the ballot tally process, and shall be subject to regulations prescribed by the City Clerk.

Section I. Voting Procedures

- 1) The City Clerk shall mail a ballot packet for the election to each eligible voter listed on the roster supplied by the DCP staff. The mailing shall be completed not less than ten calendar days prior to Election Day.
- 2) Employees who become members of the DCP within 30 calendar days prior to Election Day and who wish to vote in that election shall obtain a certificate from the DCP staff certifying their eligibility to vote. The employee must present the certificate of eligibility to the City Clerk no earlier than seven calendar days prior to and not later than the close of business on Election Day. The City Clerk shall allow these members to vote.
- 3) Each ballot packet mailed or provided to voters shall consist of the following items:
 1. A mailing envelope;
 2. A return envelope;
 3. The official ballot;
 4. An identification envelope for the official ballot with space for the voter to affix the voter's name, mailing address, last four digits of the social security number (employee ID numbers for WPERP employees), signature, and date of signing;

5. A list of instructions to the voter; and
 6. The candidates' statements of qualifications, if any.
- 4) Upon receiving and casting their vote on the ballot, the voter shall enclose the ballot in the identification envelope. The voter shall then affix the voter's name, mailing address, last four digits of the voter's social security number (employee ID number for WPERP employees), signature, and date of signing on the identification envelope containing the ballot and shall enclose it in the return envelope. All ballots must be returned to the City Clerk by United States mail or personal deposit. Ballots shall be accepted not earlier than seven calendar days preceding Election Day, but no later than the close of business (specific time to be designated by the City Clerk) on Election Day. During this period, voters may personally deposit the return envelope containing their ballot in the ballot box in the Office of the City Clerk, Election Division. Ballots received by the City Clerk after the close of business (specific time to be designated by the City Clerk) on Election Day shall be marked as late and shall not be counted.
 - 5) Upon receipt of the identification envelope and its contents, the City Clerk shall date stamp the envelope, verify the name and last four digits of the social security number (employee ID number for WPERP employees) appearing on the envelope with the roster of eligible voters, and shall cause the roster to be marked showing that the member has voted. No identification envelope shall be opened prior to the commencement of the tally.
 - 6) If a voter inadvertently spoils a ballot, the voter may return the spoiled ballot to the City Clerk, who shall furnish the voter with a replacement ballot. No more than two replacement ballots may be issued to the same voter. Spoiled ballots will be clearly marked "**SPOILED**" by the City Clerk.
 - 7) If a voter on the roster claims not to have received a ballot, the voter may receive a replacement ballot from the City Clerk upon filing a signed affidavit claiming non-receipt of the ballot. The identification envelope of the replacement ballot shall be prominently marked "**REPLACEMENT BALLOT**" and the original ballot issued to the voter shall be void, if received.

Section J. Verification of Identification Envelopes and Challenges

- 1) The City Clerk may challenge a returned identification envelope on the following grounds:
 1. The identification envelope is not properly completed according to the instructions and does not accurately identify the voter;
 2. The voter did not include the correct last four digits of the social security number (employee ID number for WPERP employees);
 3. The voter did not sign the identification envelope;
 4. The voter's name does not appear on the roster;

5. The identification envelope was received after the last date and time provided pursuant with these policies;
 6. The voter has lost status as a member of the appropriate constituent group within 30 days prior to Election Day;
 7. The voter has already turned in an identification envelope.
- 2) An authorized observer or the City Clerk, during the Ballot Tally, may challenge the eligibility of any person to vote in the election. Challenges by observers may be made only on the following grounds:
1. The identification envelope was not signed by the person whose name appears on the roster; or
 2. The person's status as an eligible voter has changed since the person was certified.
- 3) Each identification envelope that is challenged shall have written on the envelope the word "**Challenge,**" the reason for the challenge, and the signature of the person making the challenge.
- 4) The City Clerk shall, with substantiating evidence, sustain or overrule each challenge. Without substantiating evidence being produced within three business days of the Election Day, the challenge shall be overruled and the ballot shall be tallied with the other ballots. Identification envelopes for which challenges have been sustained shall be retained unopened by the City Clerk for a minimum of 90 calendar days after the election results are certified.

Section K. Ballot Tally

- 1) The City Clerk shall count ballots in accordance with procedures used by the City Clerk to count ballots for other similar elections. Only the City Clerk may handle ballots. All ballots counted and uncounted shall be kept in view of the observers at all times during the tally and until the Ballot Statement is finally signed.
- 2) The identification envelope containing the sealed ballot envelope shall not be opened until the tally is commenced in order to preserve the secrecy of the ballot. At the commencement of the tally, the City Clerk shall audibly announce the name of each voter and shall then open the identification envelope, removing the official ballot. After all identification envelopes have been opened and set aside from the tally area, the City Clerk shall then proceed to count and tally the ballots cast for each choice, laying the ballots face up so that observers may inspect the marks. The count shall continue in this manner until all the ballots are opened and counted. When all ballots have been counted, the total number of votes cast for each candidate shall be entered on the unofficial Tally Results.
- 3) If a ballot is a Spoiled Ballot, the ballot shall be declared void by the City Clerk and shall be preserved for a period of 90 calendar days after the election results are certified.

- 4) After preparing the official Tally Results, the City Clerk shall place under seal all ballots, identification envelopes, and tally sheets, and shall retain them in a sealed condition for not less than 90 calendar days after the election results are certified.

Section L. Election Results

- 1) The candidate who receives the most votes of all votes cast shall be elected to the position of Board member for the respective constituent group.
- 2) In the event that two or more candidates receive an equal number of votes cast, and no candidate receives more votes, then the candidates receiving an equal number of votes shall appear before the City Clerk at the time and place designated by the City Clerk and draw lots to determine which person shall be declared elected. The City Clerk shall determine the manner in which the lots shall be drawn and, in the event that any candidate involved does not appear, the City Clerk shall act for the absent person in the drawing of the lot. The candidate who is selected by lot shall be declared by the Board to be elected to the position of Board member for the respective constituent group.

Section M. Special Election

- 1) In the event that an elected member of the Board, prior to the expiration of such member's term, has submitted a letter of resignation or the member's office becomes vacant by virtue of death, retirement, termination of employment, or for any other reason, the City Clerk shall conduct a special election to fill the unexpired term. However, no special election shall be held where there is less than twelve months remaining before expiration of the term.
- 2) The Board shall designate the date of the special election. The special election shall be held not more than 90 calendar days after the submission of the letter of resignation or the receipt of notification of the vacancy. Candidates to be voted on at any special election shall be nominated in the same manner provided under this policy, but the nominating petition shall provide that the nomination is made for the balance of the unexpired term and specify the ending date of that term. The nominating petitions shall be available at the office of the DCP or, if the Board designates, electronically to members of the appropriate constituent group seven weeks before the date of the special election. The special election to fill the unexpired term shall be conducted in the same manner as a regular election, except as otherwise provided for in this section.
- 3) If any candidate in a special election receives the most votes of all votes cast, the candidate shall be declared by the Board to be elected to the position of Board member for the respective constituent group for the unexpired term.
- 4) In the event that two or more candidates receive an equal number of votes cast, and no candidate receives more votes, then the candidates receiving an equal number of votes shall appear before the City Clerk at the time and place designated by the City

Clerk and draw lots to determine which person shall be declared elected. The City Clerk shall determine the manner in which the lots shall be drawn and, in the event that any candidate involved does not appear, the City Clerk shall act for the absent person in the drawing of the lot. The candidate who is selected by lot shall be declared by the Board to be elected to the position of Board member for the respective constituent group for the unexpired term.

Section N. Certification and Report of Results

The City Clerk shall officially certify the results of the election within 14 calendar days from the Election Day.

Section O. Protests of Election

Any interested person may challenge any proceeding, act, or omission that may be material to the election, by written notice to the City Clerk not later than three business days after the count of the ballots. The City Clerk shall review the protests and submit a report of findings and recommendations to the Board, together with the official certified results of the election.

Section P. Emergency and Corrective Board Actions

The Board may take certain actions relative to the election process in the event of a local emergency declared by the City of Los Angeles, the County of Los Angeles, the State of California, or the Federal government that significantly impacts the conduct of an election. In such an event, the Board shall be able to enact temporary emergency election procedures to provide for the timely conduct of elections in accordance with the Board's Election Policies and Procedures. Additionally, the Board may take certain actions to an adopted election schedule in the event of certain administrative errors associated with the conduct of the election provided the Board finds that such modifications are necessary to support the enfranchisement of all participants who are eligible to vote in such election. *The Board, through its staff, shall ensure that (a) its actions are fully detailed and documented in its reports and minutes; (b) these reports and minutes are made available on the DCP website; and (c) its actions are communicated to the impacted voting population and candidates through DCP various available media, including direct and electronic mail, and posting on the DCP website.*

| DEFERRED COMPENSATION PLAN THREE-YEAR BUDGET COMPARISON | | | | | | |
|---|---|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| | BUDGETED VS. ACTUAL REVENUES/EXPENDITURES | | | | | |
| | Plan Year 2020 | | Plan Year 2019 | | Plan Year 2018 | |
| | Budget | Actual | Budget | Actual | Budget | Actual |
| REVENUES | | | | | | |
| Starting Balance on 01/01 of Plan Year | \$ 3,694,500 | \$ 4,079,904 | \$ 3,468,414 | \$ 3,967,903 | \$ 3,326,329 | \$ 3,263,900 |
| Estimated Annual Administrative Fee Revenue | \$ 2,502,006 | \$ 2,817,100 | \$ 2,800,925 | \$ 2,707,933 | \$ 2,699,357 | \$ 2,777,114 |
| Estimated Plan Year Interest Earnings (2%) | \$ 73,890 | \$ 102,095 | \$ 86,409 | \$ 106,986 | \$ 66,527 | \$ 88,854 |
| Miscellaneous | | \$ 48,525 | | \$ 1,216 | | \$ 256,176 |
| Opening Balance Plus Projected Revenues | \$ 6,270,396 | \$ 7,047,624 | \$ 6,355,748 | \$ 6,784,037 | \$ 6,092,212 | \$ 6,386,044 |
| EXPENDITURES | | | | | | |
| Participant Administrative Fees Owed to TPA | \$ (1,637,552) | \$ (1,625,371) | \$ (1,517,368) | \$ (1,555,451) | \$ (1,438,016) | \$ (1,533,177) |
| DCP Staffing Reimbursements | \$ (1,120,023) | \$ (785,409) | \$ (917,773) | \$ (797,777) | \$ (889,054) | \$ (677,356) |
| Investment, Plan Administration, and Outside Tax Counsel Consulting Costs* | \$ (225,000) | \$ (92,336) | \$ (225,000) | \$ (306,991) | \$ (185,000) | \$ (103,465) |
| Plan Audit | \$ (45,000) | \$ - | \$ (45,000) | \$ - | \$ - | \$ - |
| Communications | \$ (50,000) | \$ (256) | \$ (50,000) | \$ (10,053) | \$ (75,000) | \$ (8,231) |
| Travel/Training/Education | \$ (33,000) | \$ (1,700) | \$ (33,004) | \$ (25,721) | \$ (32,357) | \$ (23,601) |
| Elections Administration | \$ (42,000) | \$ (48,202) | \$ - | \$ - | \$ (10,600) | \$ (56,138) |
| Office and Administrative | \$ (7,000) | \$ (6,911) | \$ (7,000) | \$ (8,140) | \$ (7,000) | \$ (16,173) |
| Governmental Meetings | \$ (500) | \$ - | \$ (500) | \$ - | \$ (500) | \$ - |
| Total Expenditures | \$ (3,160,075) | \$ (2,560,185) | \$ (2,795,645) | \$ (2,704,134) | \$ (2,637,527) | \$ (2,418,141) |
| Annual Revenues Less Annual Expenditures | \$ (584,179) | \$ 407,535 | \$ 91,689 | \$ 112,001 | \$ 128,356 | \$ 704,003 |
| Projected Ending Balance on 12/31 of Plan Year | \$ 3,110,321 | \$ 4,487,439 | \$ 3,560,102 | \$ 4,079,904 | \$ 3,454,685 | \$ 3,967,903 |
| *Consulting costs in Plan Year 2020 do not include about \$162,000 in Mercer consulting expenses due to a delay in the approval of the extension of the contract. | | | | | | |