



Board Report 21-36

Date: July 20, 2021
To: Board of Deferred Compensation Administration
From: Staff
Subject: DC Plan Manager Recruitment/Selection and DCP Staffing

Board of Deferred Compensation Administration

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Recommendation:

That the Board of Deferred Compensation Administration (Board): (a) request that the Personnel Department initiate the examination development process if indication regarding the request for exempt status is not received from the Mayor's Office by July 23, 2021; and (b) request that the Personnel Department provide a response regarding the feasibility of and options for elevating the DCP's Senior Benefits Analyst I position to Senior Benefits Analyst II.

Discussion:

A. Background

Following is a review and summary of key actions related to the development of a Defined Contribution (DC) Plan Manager position for the City's Deferred Compensation Plan (DCP):

- On **June 25, 2020**, the Board of Civil Service Commissioners approved the creation of the new Defined Contribution (DC) Plan Manager classification.
- At its **October 20, 2020** meeting, the Board approved several staff recommendations with respect to the recruitment and salary considerations for the DC Plan Manager position, including requesting exemption of the new position from civil service, requesting an unfreeze to fill the position, and setting the salary of the classification at the level of Chief Personnel Analyst.
- On **April 14, 2021**, the City Council approved an ordinance to establish the salary range of the DC Plan Manager classification at the level of Chief Personnel Analyst.
- At its **June 15, 2021** meeting, the Board established an Ad Hoc DC Plan Manager Selection Committee (Committee) to: (a) develop recommendations for the Board to make to the Personnel Department as to the design and content of the selection process, including

proposed recruitment materials and the design of the candidate review process; and (b) report back at the Board's July 20, 2021 meeting.

- On **July 7, 2021**, the Committee met to consider certain materials drafted by staff, including proposed recruitment materials.

Budgetary Considerations – As part of the Personnel Department's Fiscal Year 2020-21 budget, the City Council adopted a recommendation by the Chief Legislative Analyst to add one resolution position authority for the newly created DC Plan Manager classification. The resolution authority for the DC Plan Manager position was continued in the Mayor's Proposed Budget for FY 2021-22. The City's hiring freeze was lifted as of June 20, 2021.

Board Role in Selection Process and Developing Budget Requests – As noted at the June 15, 2021 Board meeting, the recently executed Memorandum of Understanding (MOU) between the Board and Personnel Department provides that:

"The Board may make recommendations to the Personnel Department regarding the design and content of the selection process(es), participate in the selection process and make recommendation(s) to the Personnel Department General Manager with respect to appointment of the DC Plan Manager."

The MOU further provides that:

"The Board, acting in concert with DCP staff, may separately and independently develop recommendations to the Office of the Mayor and City Administrative Officer (CAO) with respect to budget requests for position authorities within the Personnel Department to be funded by DCP participant assessments and fees, and authorization to fill positions, including requests for exemptions from hiring freezes, requests for approval of positions that may be subject to managed hiring processes in effect for the City, and other budgetary matters. The Board may independently transmit such budget-related communications to the extent permitted under the Charter and LAAC and the Mayor's procedural rules, but may from time to time act in concert with the Personnel Department General Manager as may be required."

B. DC Plan Manager Recruitment Materials

Staff developed draft recruitment materials, including the proposed position posting and class specification, to which the Committee incorporated additional changes (**Attachment A**). Additional feedback from other Board members on the draft recruitment materials is welcome and can be incorporated before the materials are finalized. In addition, for background information and context, staff also prepared a DCP staff resources organizational chart (**Attachment B**).

In terms of a marketing plan for the position, staff and the Committee identified the following potential advertising vehicles:

- National Association of Government Defined Contribution Administrators (NAGDCA)
- Pensions & Investments (retirement news publication)
- Indeed.com
- International Foundation of Employee Benefit Plans (IFEBP)
- LinkedIn
- Monster.com
- National Association of State Retirement Administrators (NASRA)
- Efinancialcareers.com

Suggestions for other advertising vehicles are welcome.

C. Exempt or Civil Service Position – Status and Timeline

As previously noted to the Board, staff has been working with the Board Chairperson and Vice-Chairperson on communicating with the Mayor’s Office regarding the request to exempt the position from civil service. No response has been received to date. In the event the exempt status is not approved and the position is established as civil service, staff has been in communication with the Personnel Department’s Selection Division regarding the potential time involved in developing an examination. Tentatively, it would take the Selection Division approximately two months to develop a recommendation as to the type of examination, and an additional one or more months to develop and administer the examination, depending on the type of examination involved.

The Committee discussed the need to move as expeditiously as possible to fill the position, and that if approval to exempt the position was not received soon, the Board should move forward with the civil service examination development process. The Committee discussed a tentative deadline of July 23, 2021, and recommends that the Board request that the Personnel Department initiate the examination development process if indication regarding the request for exempt status is not received from the Mayor’s Office by July 23, 2021.

Following the Committee’s meeting, Committee member Neil Guglielmo had further communication with the Mayor’s Office regarding the need to move forward on filling the DC Plan Manager position. Feedback was provided that a response could be provided by the suggested response date of July 23, 2021.

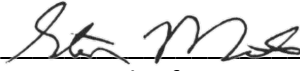
As discussed with the Board previously, an ideal scenario for filling the position would provide some time for overlap of employment of the incoming DC Plan Manager and the exiting Chief Personnel Analyst of the Employee Benefits Division. A tentative timeline for that scenario is provided as **Attachment C**.

D. Other Staffing Discussion

As part of reviewing the organizational chart developed by staff, the Committee indicated an interest in elevating the level of the position immediately beneath the DC Plan Manager from Senior Benefits Analyst I to Senior Benefits Analyst II. The MOU provides that the Board may, *“...separately and independently develop recommendations to the Office of the Mayor and City Administrative Officer (CAO) with respect to budget requests for position authorities within the Personnel Department to be funded by DCP participant assessments and fees... but may from time to time act in concert with the Personnel Department General Manager as may be required.”*

In this instance, if the Board supports elevating the position, a first step would involve a request to the Personnel Department to assess feasibility and options. As a result, the Committee recommends that the Board request that the Personnel Department provide a response regarding the feasibility of and options for elevating the DCP’s Senior Benefits Analyst I position to Senior Benefits Analyst II.

Submitted by:



Steven Montagna, Chief Personnel Analyst

City of Los Angeles Employment Opportunity DEFINED CONTRIBUTION PLAN MANAGER



*An exciting opportunity managing the City of Los Angeles
Deferred Compensation Plan (DCP), a supplementary retirement
savings program for City employees.*



CITY OF *Los Angeles*
DEFERRED COMPENSATION PLAN (DCP)

ABOUT THE OPPORTUNITY

POSITION OVERVIEW

The City of Los Angeles is seeking a creative, innovative, and experienced defined contribution plan professional with either private or public sector experience to manage its Internal Revenue Code Section 457 Deferred Compensation Plan (DCP). The Defined Contribution (DC) Plan Manager is responsible for overall management and oversight of the administrative, operational, contractual, supervisory, and communication functions of the DCP. The DC Plan Manager position is located in the City's Personnel Department and acts as the DCP staff advisor to the City's Board of Deferred Compensation Administration (Board). The DC Plan Manager oversees and is primarily responsible for ensuring that DCP staff support the Board in executing its fiduciary role for the DCP and the DCP's participants, which include performing the following core duties:

- Supervising a team of staff performing the administrative, engagement, reporting, and related operational functions of the DCP.
- Carrying out decisions and directives of the Board, including implementing policy and program directives.
- Procuring for and executing contracts for various administrative, investment, consultant, and other services.
- Directing contracted service providers.
- Providing analysis and policy recommendations regarding a variety of process, plan design, and administrative matters.
- Developing forward-thinking plan design and engagement initiatives to drive ongoing improvements in participant outcomes.

This position may further perform duties in connection with the City's Pension Savings Plan, a Social Security replacement plan established under Internal Revenue Code Sections 457/3121. Further details regarding the duties and characteristics of the DC Plan Manager can be found in the Classification Specification for this position (attached).



REQUIREMENTS

Public Sector

Graduation from an accredited four-year college or university and four years of full-time paid professional experience providing senior level administration in defined contribution plan program management for a federal, state or local governmental agency covering a large number of constituents or employees and the management and oversight of the program budget, service providers, consultants, and oversight administrators.

Private Sector

Graduation from an accredited four-year college or university and four years of full-time paid professional experience in a senior leadership or expert advisory capacity with an organization providing investment, administrative, or other support services to a public or private sector defined contribution retirement plan.

COMPENSATION AND BENEFITS

The current salary range is \$137,349 to \$206,336 per year. A highly competitive benefits package includes an independent defined benefit retirement plan to which both the employee and the City contribute; a supplemental retirement savings plan; generous vacation and sick leave; 13 paid holidays per year; a flexible benefits plan including multi-option health, dental, and vision coverage; and family and parental leave.

Relocation reimbursement may be available.

ABOUT THE PROGRAM

LOS ANGELES DEFERRED COMPENSATION PLAN

The DCP is a tax-advantaged supplemental retirement savings program established in 1983 under Internal Revenue Code (IRC) Section 457 and City of Los Angeles Administrative Code Division 4, Chapter 14. Section 457 plans were created by the United States Congress specifically for state and local government entities. All DCP assets are held in trust for the exclusive benefit of participants and their beneficiaries. The DCP is open to all City employees who are members of the City’s three defined benefit plans for civilian, sworn Police/Fire, and Department of Water and Power employees.

MISSION

Our mission is to support our active and retired participants in achieving and maintaining retirement income security. We define retirement income security as full replacement of “lifestyle income” upon retirement. Lifestyle income is an employee’s nominal salary upon retirement less primary reductions for retirement saving— in simple terms, maintaining one’s standard of living.

KEY INDICATORS OF SUCCESS

Participant outcomes are the most fundamental indicators of program success. We focus on four key metrics related to achieving and maintaining retirement income security: **participation, contributions, distributions, and asset retention.**

Plan Assets as of March 2021

\$8.5 BILLION

Participants as of March 2021

50,532

Full-Time Participation Rate

75%

Average Contributions as % of Salary

5.7%

Distributed Assets Success Rate

99%

Asset Retention Success Rate

95.5%

FOCUS ON INNOVATION

The DCP has a long tradition of innovating by critically questioning its own past practices and industry conventional wisdom, always looking for opportunities to evolve and drive success higher. The DC Plan Manager’s most important role is to be an innovator and creative thinker. The recent creation of the DC Plan Manager position reflects the Board’s commitment to innovation in all aspects of DCP administration, including its staff resources. This position will play an important role in strengthening staffing continuity and greater program independence.

ABOUT LOS ANGELES

A UNIQUE AND LEADING METROPOLIS

Los Angeles, California is the second largest city in the United States with a population of approximately 4 million. The City encompasses an area of 469 square miles. It is one of the most diverse cities in the country and a major center of business, international trade, entertainment, culture, media, fashion, science, technology, and education. It is home to renowned institutions covering a broad range of professional and cultural fields and is one of the most substantial economic engines within the United States.

As the home base of Hollywood, it is known as the “Entertainment Capital of the World,” leading the world in the creation of motion pictures, television production and recorded music. Los Angeles offers a temperate climate, with access to beaches and mountains, and surrounded by a variety of communities reflecting its dynamism and diversity.



CITY GOVERNANCE, PENSION SYSTEMS, & WORKFORCE

Governance

The City has 37 departments, bureaus, and offices overseen by its Mayor and City Council. In total, there are 42 departments, bureaus, and offices that support the elected officials and provide a full range of services to the City.

Pension Systems

As a charter city, we offer three independent pension systems for the civilian, sworn police/fire, and Water and Power segments of the workforce; as well as a Section 457/3121 Social Security replacement plan for part-time, temporary, and seasonal employees.

Workforce

Our workforce includes 46,000 regular full-time or half-time employees, in addition to a varying number of part-time, temporary, or seasonal employees.

DC Plan Manager – City of Los Angeles

HOW TO APPLY

Applications should be submitted electronically. Interested candidates should immediately submit:

- **Resume**
- **Cover letter**
- **Five work-related references** (include name, job title, affiliation, and telephone number)

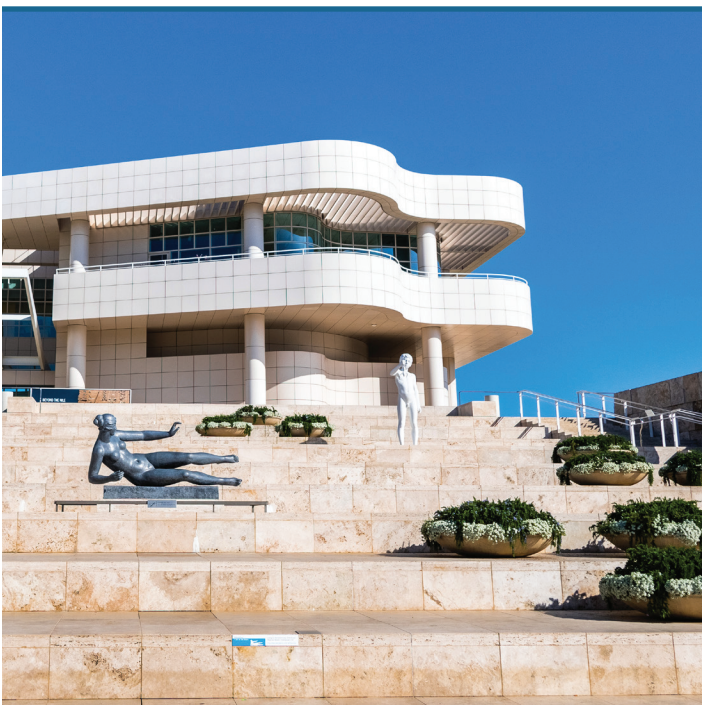
Submit your application materials to:

City of Los Angeles Personnel Department
Attn: Eric Lan
Email: eric.lan@lacity.org

(Note: When e-mailing your application material, the subject line should reflect your name and “DC Plan Manager Application.”)

Questions may be referred to Steven Montagna at 213-978-1621 or Eric Lan at 213-978-1629.

Interested applicants should submit their application as soon as possible, but no later than _____, by 4 p.m.

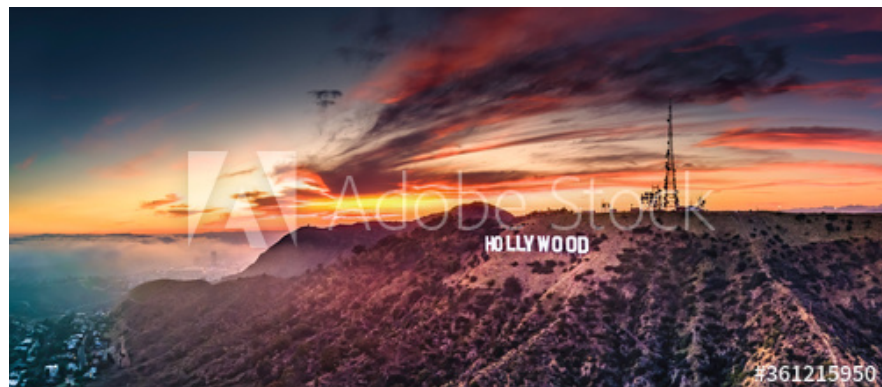


In order to be considered, cover letters must include:

- A description of the size and function of the most relevant organizations in the field of defined contribution for which you have worked.
- Description of your key responsibilities, including at least one major professional accomplishment in which you played a key role.
- Any relevant experiences or unique characteristics which could further qualify you for this position.

Upon submission of the application documents, applicants may be asked to complete a supplemental questionnaire. Only the most qualified candidates will be invited to the next phase of the selection process, which may include a written exercise and an interview.

Alternate Images for Cover Page





CLASS SPECIFICATION

06/25/2020

Defined Contribution Plan Manager, 9152

Summary of Duties: The Defined Contribution Plan Manager (Plan Manager) serves as the administrative manager over the City of Los Angeles Deferred Compensation Plan (DCP) and Pension Savings Plan (PSP). This position is responsible for overall management of the administrative, operational, contractual, supervisory, and communication functions of the DCP and PSP. The Plan Manager acts as the DCP staff advisor to the Board of Deferred Compensation Administration (Board) and Manager of the PSP; applies sound supervisory principles and techniques in building and maintaining effective staff support for the DCP/PSP, while fulfilling equal employment opportunity responsibilities; directs contracted service providers; advances the missions of the DCP/PSP; and does related work.

It is anticipated that a position in the class of Defined Contribution Plan Manager will be exempted from Civil Service under the provisions of Charter Section 1001(b).

Class Characteristics: The Plan Manager directs the daily administrative activities and operations of the DCP/PSP and staff. The Plan Manager carries out decisions and directives of the Board and General Manager Personnel Department, including implementing policy and program directives; procuring for the DCP/PSP various service providers; developing and overseeing administrative, investment management, and consulting contracts; and providing analysis regarding a variety of policy, plan design, and administrative matters. The Plan Manager oversees and is primarily responsible for ensuring that DCP/PSP staff support the Board and the General Manager Personnel Department in executing their fiduciary roles for the DCP/PSP and their participants.

The unique role of this position requires that the Plan Manager be knowledgeable and have expertise with respect to the administration of defined contribution plans and the Federal laws and regulations governing them. The Plan Manager must further have knowledge of and experience in investment related plan design decision-making.

The Plan Manager works under minimal supervision and exercises considerable independent judgment in completing assignments. An employee in this classification must be able to obtain and analyze information, make recommendations regarding actual or potential policy issues, and develop and execute strategies to help fulfill each DCP/PSP core mission and goals. Any assignments completed are reviewed in terms of results obtained and objectives accomplished in relation to adhering to policy and direction.

Example of Duties:

- Oversees activities with the overall responsibility for improving participant outcomes in designated key areas, including but not limited to optimizing participation, salary deferrals, asset retention, and overall participant retirement income security;
- Makes recommendations related to the administration of the DCP/PSP, including development of programs and participant services, implementing new procedures and policies relevant to the Board's or Personnel Department's oversight, and executing procurements and contracted service provider relationships;
- Maintains data and submits reports regarding statistics including, but not limited to plan assets, asset allocation, participation levels, contributions, distributions, incoming/outgoing rollovers, loans, participant engagement and transaction activity, and participant satisfaction in order to identify trends, establish goals, and drive future success;
- Provides oversight of and direction to Third-Party Administrators (TPAs) to ensure all contractual service obligations are met;
- Prepares complex and comprehensive written and statistical reports, makes effective oral presentations, and/or presents correspondence to the Board, Elected Officials, Department management, and/or the public;
- Confers with consultants, attorneys, and other internal and external experts on issues relevant to the administration and improvement of the DCP/PSP;
- Develops and modifies service provider and participant outcome goals and strategies, and evaluates their success using appropriate metrics;
- Develops and executes all DCP/PSP procurements, including drafting of Requests for Proposal (RFPs), issuing RFPs in accordance with City procedure, evaluating and scoring vendor responses, and developing thorough analyses and reports/recommendations for action;
- Develops and oversees contracts with DCP/PSP service providers, including coordination with legal counsel to assist in the review of legal documents, and developing and administering mechanisms for evaluating service provider compliance and service fulfillment;
- Ensures that the DCP/PSP meet their overall objectives, and completes projects within established deadlines;
- Maintains effective relationships with DCP/PSP stakeholders including Elected Officials, human resource liaisons, labor partners, City management, and other City departments;
- Develops and refines best practices by working with peers engaged in administering defined contribution plans and participating in regional and national plan sponsored networks;
- Directs, plans, assigns, supervises, and reviews the work of professional and paraprofessional staff engaged in activities related to administering the DCP/PSP;
- Directs staff and service provider development of all DCP/PSP engagement and informational strategies, campaigns, and materials, including website content, forms, newsletters, brochures, quarterly statements, seminars and webinars, video productions, and other educational publications and/or outreach meetings;

- Maximizes staff productivity through effective communication and motivation; and applies job-related criteria in selecting, training, assigning work, mentoring, evaluating, and disciplining staff.

REQUIREMENTS:

1. Graduation from an accredited four-year college or university and four years of full-time paid professional experience providing senior level administration in defined contribution plan program management for a federal, state or local governmental agency covering a large number of constituents or employees and the management and oversight of the program budget, service providers, consultants, and oversight administrators; **or**
2. Graduation from an accredited four-year college or university and four years of full-time paid professional experience in a senior leadership or expert advisory capacity with an organization providing investment, administrative, or other support services to a public or private sector defined contribution retirement plan.

License: A valid California Class C driver's license may be required.

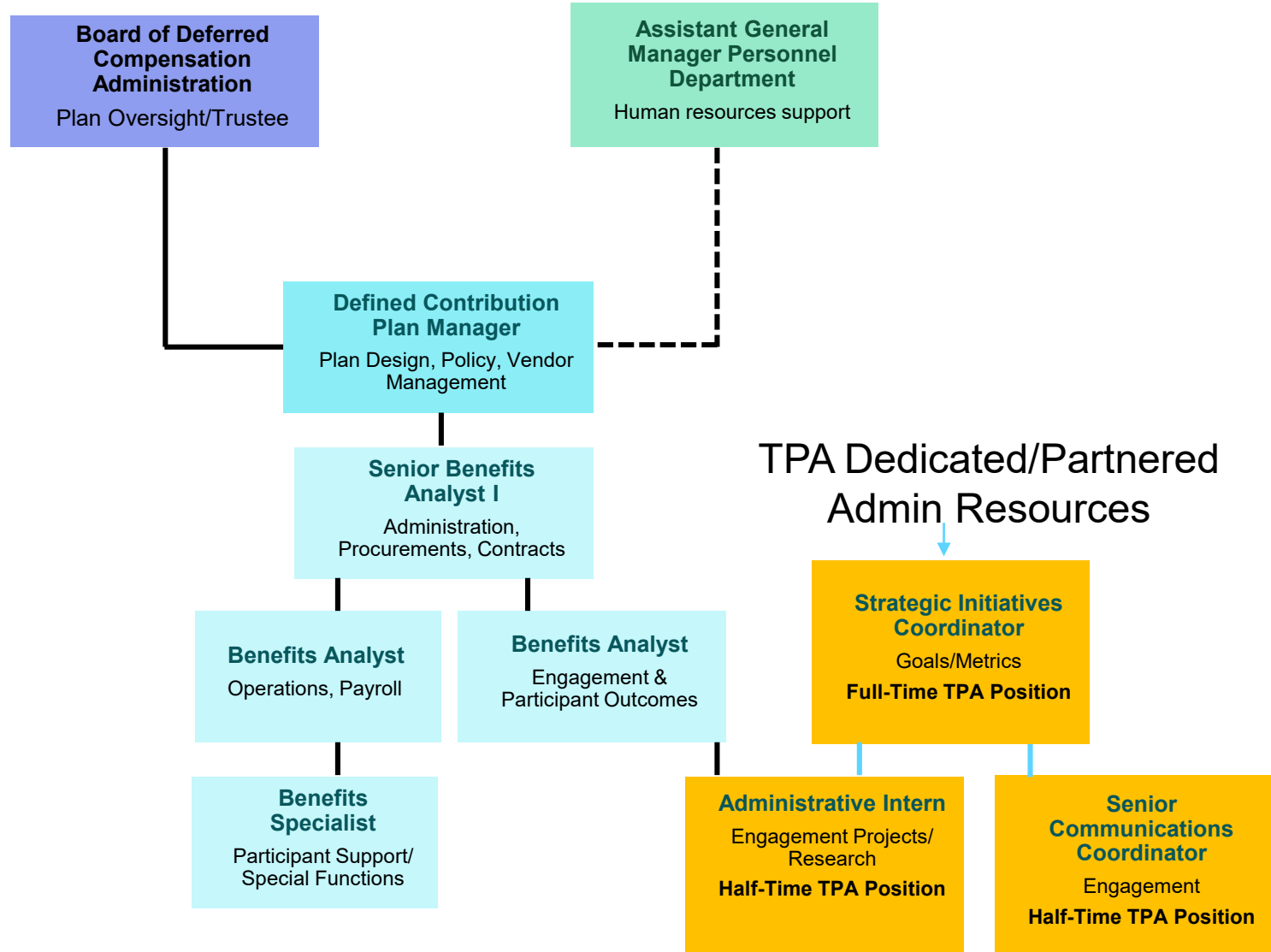
Physical Requirements: Strength to perform average lifting of less than 5 pounds and occasionally over 15 pounds; good speaking and hearing ability; and good eyesight.

Persons with disabilities may be able to perform the essential duties of this class with reasonable accommodation. Such accommodation will be evaluated on an individual basis and depend, in part, on the specific requirements for the job, the limitations related to the disability, and the ability of the hiring department to reasonably accommodate the limitations.

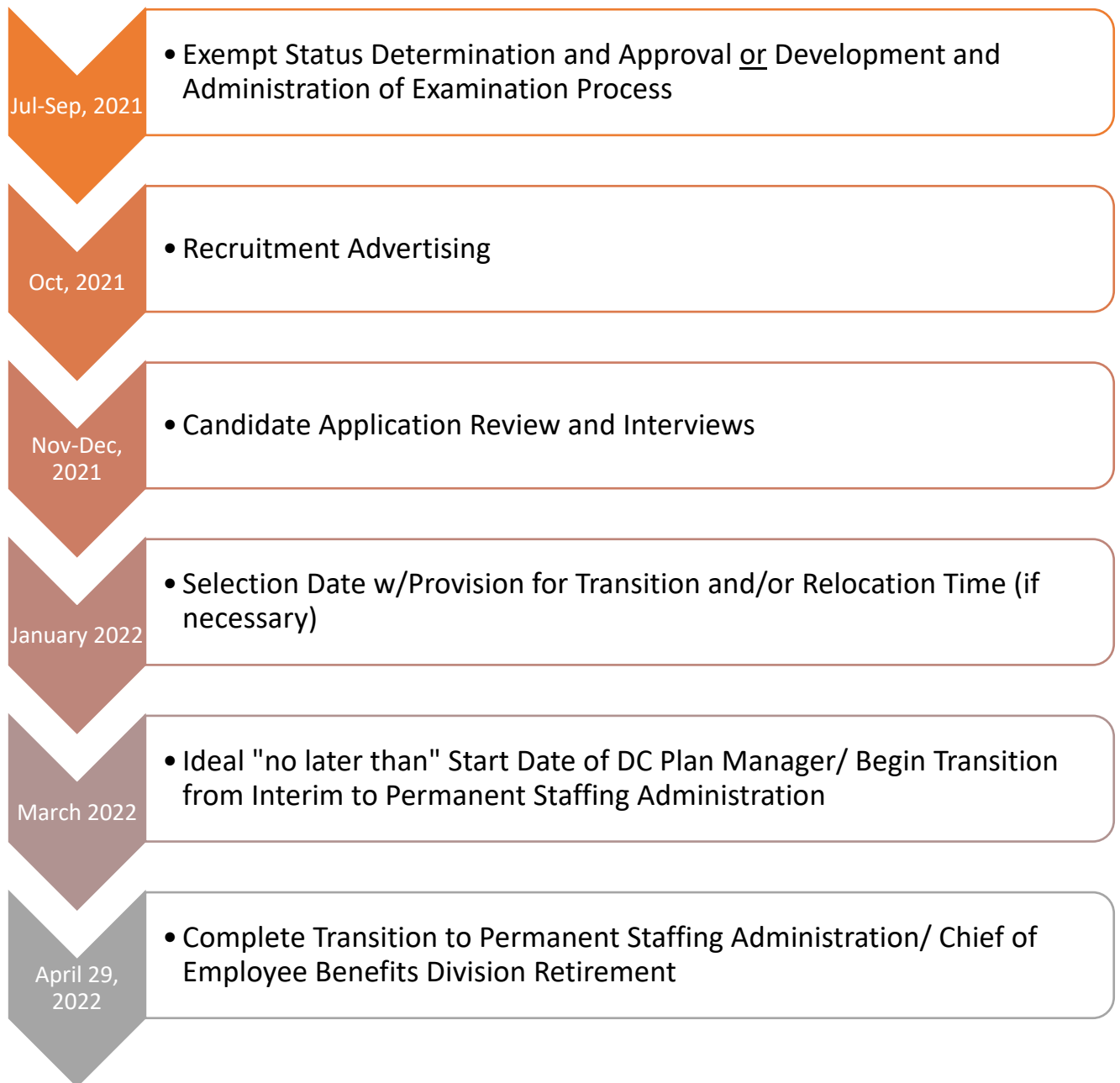
As indicated in Civil Service Commission Rule 2.5 and Section 4.55 of the Administrative Code, this specification is descriptive, explanatory and not restrictive. It is not intended to declare what all of the duties and responsibilities of any position shall be.

City of Los Angeles Deferred Compensation Plan (DCP)

Organization chart



TENTATIVE TIMELINE FOR FILLING DC PLAN MANAGER POSITION



Note: if exempt status not approved, developing and executing an examination process will require adjustments to timeline.