



CITY OF *Los Angeles*

DEFERRED COMPENSATION PLAN

Board Report 21-57

Date: November 16, 2021

To: Board of Deferred Compensation Administration (Board)

From: Staff

Subject: Staffing and Succession Planning

- Recruitment/Selection Process for Permanent DC Plan Manager Appointment
- Interim Appointment to DC Plan Manager

Board of Deferred Compensation Administration

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Recommendation:

That the Board (a) modify its instructions to the Ad Hoc DC Plan Manager Selection Committee to request that it develop recommendations for the Board to make to the Personnel Department regarding conduct of the DC Plan Manager selection process up to and including execution of the final selection process and onboarding of the appointee; and (b) recommend to the Personnel Department General Manager that Steven Montagna be placed in-lieu of the DC Plan Manager position beginning on or around January 1, 2022 and ending with the appointment of a permanent DC Plan Manager but no later than April 29, 2022.

Discussion:

A. Background

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

- On **June 25, 2020**, the Board of Civil Service Commissioners approved the creation of the new 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 (Ad Hoc Selection 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 Ad Hoc Selection Committee met to consider certain materials drafted by staff, including proposed recruitment materials.
- On **July 20, 2021**, the Board requested that the Personnel Department initiate the examination development process if indication regarding the request for exempt status was not received from the Mayor’s Office by July 23, 2021 (which it was not); and requested that the Personnel Department provide a response regarding elevating the DCP’s Senior Benefits Analyst I position to Senior Benefits Analyst II.
- On **August 17, 2021**, the Board approved certain requests for submission with regards to the FY 2022-23 proposed budget, including adding regular position authority for the DC Plan Manager position and requesting the Office of the City Administrative Officer (CAO), Employee Relations Division (ERD) to review and make a paygrade determination to elevate the Senior Benefits Analyst I to a Senior Benefits Analyst II position; the Board further authorized the Board Chairperson to approve any documents required to transmit the FY 2022-23 budget requests to the CAO and Office of the Mayor on behalf of the Board and requested that the Personnel Department submit the afore-noted requests to the Office of the Mayor. Materials were subsequently drafted and reviewed/approved by the Board Chairperson.

B. DC Plan Manager Selection Status Update and Modification of Instructions to Ad Hoc DC Plan Manager Selection Committee

Staff member Steven Montagna has been working with the Personnel Department’s Selection Division to develop the examination process for DC Plan Manager. The process is proceeding as scheduled, with the following key dates noted:

Date	Process Step
November 18, 2021	Examination Bulletin Issued
December 10, 2021	Applications Due
January 2022 (specific dates TBD)	Civil Service Examination
February 2022 (specific dates TBD)	Eligible List Established
March 2022 (specific dates TBD)	Selection Interviews

Staff is proceeding to post the examination bulletin and accompanying recruitment materials in a variety of venues and publications as discussed at the Board’s July 20, 2021 meeting.

As part of developing the examination process, certain details are yet to be resolved related to the interviews for both the civil service examination process as well as the final selection process. When the Board established the Ad Hoc Selection Committee, its charge was identified as developing 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. Staff believes it would be helpful to clarify the Ad Hoc Selection Committee's mandate such that it can develop recommendations on all aspects of the selection process through its completion, including with respect to onboarding the selectee. As a result, staff recommends that the Board modify its instructions to the Ad Hoc DC Plan Manager Selection Committee to request that it develop recommendations for the Board to make to the Personnel Department regarding conduct of the DC Plan Manager selection process up to and including execution of the final selection process and onboarding of the appointee.

Upon action by the Board, staff will convene the Committee to address the balance of considerations for the selection process and return to the Board at its December 21, 2021 meeting with recommendations.

C. Succession Planning and Interim Appointment to DC Plan Manager

Concurrent with the Board's process in filling the DC Plan Manager position, the Personnel Department has been actively engaging in succession planning for key leadership positions in the Employee Benefits Division (EBD). These positions include EBD's Chief Personnel Analyst (which will become vacant in April 2022 when incumbent Steven Montagna retires) and a Senior Benefits Analyst II position (which recently became vacant when Jenny M. Yau accepted a promotion to Chief Management Analyst with the Personnel Department's Administrative Services Division).

EBD is in the process of filling the vacant Senior Benefits Analyst II position. An appointment is anticipated to be made within the coming weeks.

With respect to the Chief's position, the Personnel Department has developed a proposal for filling this vacancy which it believes also provides an opportunity for the Board to help address DCP leadership succession planning. As the Board is aware, the DC Plan Manager salary is set at the level of Chief Personnel Analyst. Given that, it is possible for the incumbent Chief to be placed in-lieu of the DC Plan Manager position. This could be done upon appointment of a successor EBD Chief and for the period of time prior to April 2022, as the Board completes the DC Plan Manager selection and onboarding process.

The advantage of this for the DCP is that it would allow for a fuller dedication of leadership time for the DCP, current staff, and for preparing for onboarding of the new DC Plan Manager. The advantage of this for the Personnel Department is that it would also allow for side-by-side training of an incoming successor EBD Chief, since that position can be filled sooner than the DC Plan Manager.

Given the timeline for executing the DC Plan Manager process, and also given the possibility that an allowance will need to be made for relocation time, it appears unlikely there will be an opportunity for much if any overlap of the EBD Chief and the incoming DC Plan. However, several contingencies are available if such an opportunity presents itself. First, the Board and Personnel Department could request a substitute authority for a brief period to provide for the overlap. Separately, the outgoing Chief has already committed to providing ongoing advisory support to the DC Plan Manager (as well as the incoming EBD Chief) in a volunteer capacity past his retirement date and for as long as necessary, which is expected to be minimally for the balance of 2022.

In the event that the DC Plan Manager selection process does not result in identifying an acceptable candidate, other contingencies are available. First, the vacant Senior Benefits Analyst I position dedicated to the DCP has not yet been filled pending completion of the exam process and creation of an eligible list for Senior Benefits Analyst. Once the eligible list is established, the Board would have the option of recommending that this position be filled prior to appointment of the DC Plan Manager. This would provide higher level oversight and support of the DCP. The request to elevate this position to Senior Benefits Analyst II would become effective July 1, 2022, if approved as part of the adopted budget for FY 2022-23.

In addition, the incoming Senior Benefits Analyst II replacing Jenny M. Yau can be provided with training to help support the DCP. That training can be calibrated based on close monitoring of the DC Plan Manager selection process and the likelihood of identifying an acceptable candidate.

Under this proposed succession plan, the Personnel Department would first need to fill the EBD Chief position, which is anticipated to occur by January 2022. Mr. Montagna would be anticipated to increase a substantially greater share of his time dedicated to the DCP beginning in January, from approximately 20% currently to approximately full-time by March-April.

If the Board concurs with this approach, it should make a recommendation to the Personnel Department General Manager regarding an interim appointment to the DC Plan Manager Position pursuant to the recently executed Memorandum of Understanding (MOU) between the Board and Personnel Department, which provides in part 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.”

Staff therefore recommends that the Board recommend to the Personnel Department General Manager that Steven Montagna be placed in-lieu of the DC Plan Manager position beginning on or around January 1, 2022 and ending with the appointment of a permanent DC Plan Manager but no later than April 29, 2022.

Submitted by:



Steven Montagna, Chief Personnel Analyst



Paula Dayes, Assistant General Manager