



## Board Report 21-67

Date: December 21, 2021  
To: Board of Deferred Compensation Administration (Board)  
From: Staff  
Subject: Deferred Compensation Plan Projects and Activities  
Report: November 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  
Jeremy Wolfson

### Discussion:

Report regarding Deferred Compensation Plan project and activity updates for November 2021:

#### A. Operations and Project Updates

- **End of Year Contributions Review** – Staff created a new proactive service to support participants nearing their maximum contribution limits but with regular deferral amounts that leave them slightly short of those limits. Most participants in these situations do not realize they may be missing an opportunity to maximize their annual contributions. As a result, staff conducted a data review and identified over 300 participants in this situation. This information was provided to the Voya local retirement counselors to make the outreach.

#### B. Communications Updates

- **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, Deferred Compensation Plan (DCP) local retirement counselors provide education on various topics and answer participant questions.

General DCP information virtual meetings are held on the third Wednesday of every month from 12 noon to 1:00 pm. Staff also added a DCP enrollment virtual meeting targeted at eligible but not participating employees. Attendance for the November virtual meetings is provided in the following table:

Topic	Date	Attendance
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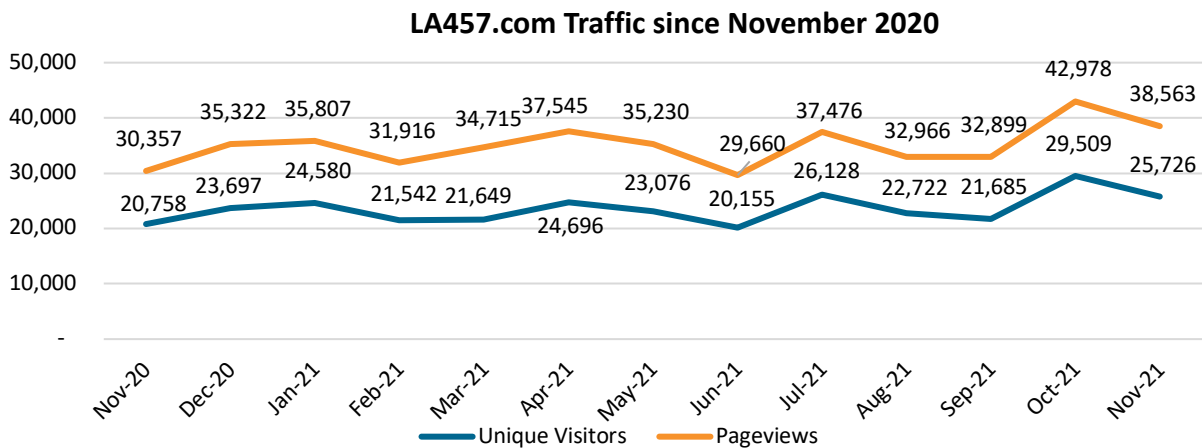
Separation Incentive Program (Harbor)	November 4, 2021	7
Pre-tax vs After Tax Roth	November 17, 2021	116

- LA457.com Engagement Statistics: November 2021**

In November LA457.com saw 25,726 unique visitors and 38,563 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 November 2021		Views
1.	Home	23,321
2.	NRSM 2021	5,619
3.	Contributions	1,278
4.	Money Matters	1,183
5.	Contact Us	936
6.	FAQs	865
7.	Join the DCP	545
8.	2022 Contribution Limits	490
9.	Your Distribution Options	311
10.	Investment Options	284

The chart below tracks LA457.com unique visitors and pages viewed since November 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 Update

The following table provides a summary of staff positions supporting the DCP.

Position Authority	Incumbent Class	Function	Est. Percent Reimbursed by DCP	Staff Member
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<b>Personnel</b>				
Defined Contribution Plan Manager	Defined Contribution Plan Manager	Executive Director	100%	Vacant
Chief Personnel Analyst	Chief Personnel Analyst	Executive Director	20%	Steven Montagna
Senior Benefits Analyst II	Senior Benefits Analyst II	Plan Governance	40%	Vacant
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
<b>City Attorney</b>				
Deputy City Attorney	Deputy City Attorney	Board Counsel	25%	Charles Hong
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:

<b>Plan Governance and Administrative Issues Committee</b>	<b>Investments Committee</b>	<b>Participant Engagement Committee</b>	<b>Ad Hoc DC Plan Manager Selection Committee</b>
Joshua Geller, Chair	Raymond Ciranna, Chair	Neil Guglielmo, Chair	Thomas Moutes, Chair
Thomas Moutes	Joshua Geller	Joshua Geller	Joshua Geller
Baldemar J. Sandoval	Neil Guglielmo	Baldemar J. Sandoval	Neil Guglielmo
	Jeremy Wolfson		

**F. Upcoming Board Meetings**

Staff worked with the Board Chairperson to make some adjustments to the Board meeting schedule given the volume of items calendared over the next few months. Following is a review of upcoming Board meeting agenda items:

Meeting Date	Proposed Agenda Items
January, 2022 (Special Meeting, if necessary)	<ul style="list-style-type: none"> <li>Board Report: AB 361</li> </ul>
January 18, 2022	<ul style="list-style-type: none"> <li>Investment Policy Statement Training</li> <li>Third-Party Administrator (TPA) Quarterly Review – Quarter 4 2021</li> <li>Board Report: Officer Elections and Committee Assignments</li> <li>Board Report: DC Plan Manager</li> <li>Board Report: 2022 Strategic Initiatives and 2021 Participant Outcomes</li> <li>Board Report: 2022 Annual Budget</li> </ul>

	<ul style="list-style-type: none"> <li>• Board Report: 2021 Board Member and Staff Training Report</li> <li>• Board Report: 2021 Board and Committee Meeting Attendance Review</li> <li>• Board Report: DCP Plan Projects &amp; Activities Report – December 2021</li> </ul>
February, 2022 (Special Meeting)	<ul style="list-style-type: none"> <li>• Board Report: AB 361 Approval</li> </ul>
February 18, 2022	<ul style="list-style-type: none"> <li>• Charles Schwab Presentation</li> <li>• Quarterly Investment &amp; Economic Review – Quarter 4, 2021</li> <li>• Board Report: Participant Goals and Outcomes</li> <li>• Board Report: Quarterly Reimbursements – Quarter 4, 2021</li> <li>• Board Report: Schwab Foreign Securities Trading</li> <li>• Board Report: DCP Plan Projects &amp; Activities Report – January 2021</li> </ul>

Submitted by:



Eric Lan, Benefits Analyst

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.** Discussion of this item is provided in Board Report 21-64.

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: Completed.** The Board approved the revised Plan Document at its June 15<sup>th</sup>, 2021 meeting (Board Report 21-31). Staff subsequently posted the revised Plan Document to the LA457.com website.

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.** An update regarding this item is provided in Board Report 21-62.

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.** An update regarding this item is included in Board Report 21-63.

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

**Background:** A procurement process was conducted for investment consulting services in 2021.

**Status: In process.** An update regarding this item is provided in Board Report 21-65.

#### 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: Suspended.** 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). Discussions with labor organizations will proceed as soon as practical.

#### 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.** Potential investment options for a Deemed IRA will be addressed upon conclusion of the DCP Core Investment Menu bond/equity procurement process. 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: Completed. Completed.** The Board approved staff's proposal for amending the time period for DCP participant goals to be measured on an annual basis in Board Report 21-37. Accordingly, staff will be working with Voya to review and analyze the results of participant goals ending on December 31, 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: Completed. Completed.** Staff completed a 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 were approved by the Board at its June 15, 2021 meeting (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: Completed. Completed.** Staff 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) were approved by the Board at its June 15, 2021 meeting (Board Report 21-33).