

DEFERRED COMPENSATION PLAN BOARD REPORT 10-45

Date: December 6, 2010
To: Board of Deferred Compensation Administration
From: Staff
Subject: Staff Report: Completed & Pending Projects & Activity Report

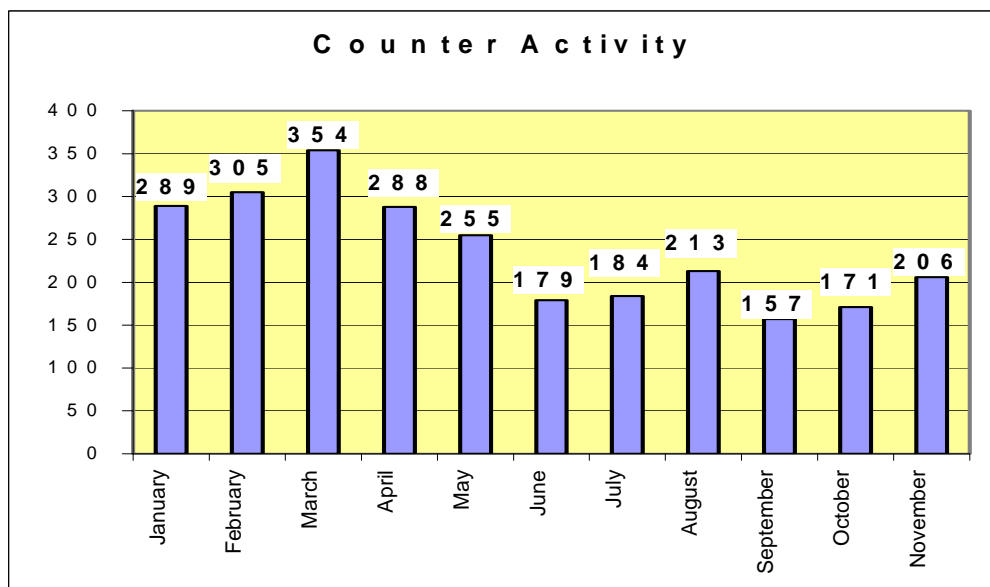
Members
Eugene K. Canzano, Chairperson
Richard Kraus, Vice-Chairperson
Sangeeta Bhatia
Cliff Cannon
Tom Moutes
John R. Mumma
Michael Perez
Robert Schoonover
Maggie Whelan

Recommendation:

That the Board of Deferred Compensation Administration receive and file the following information.

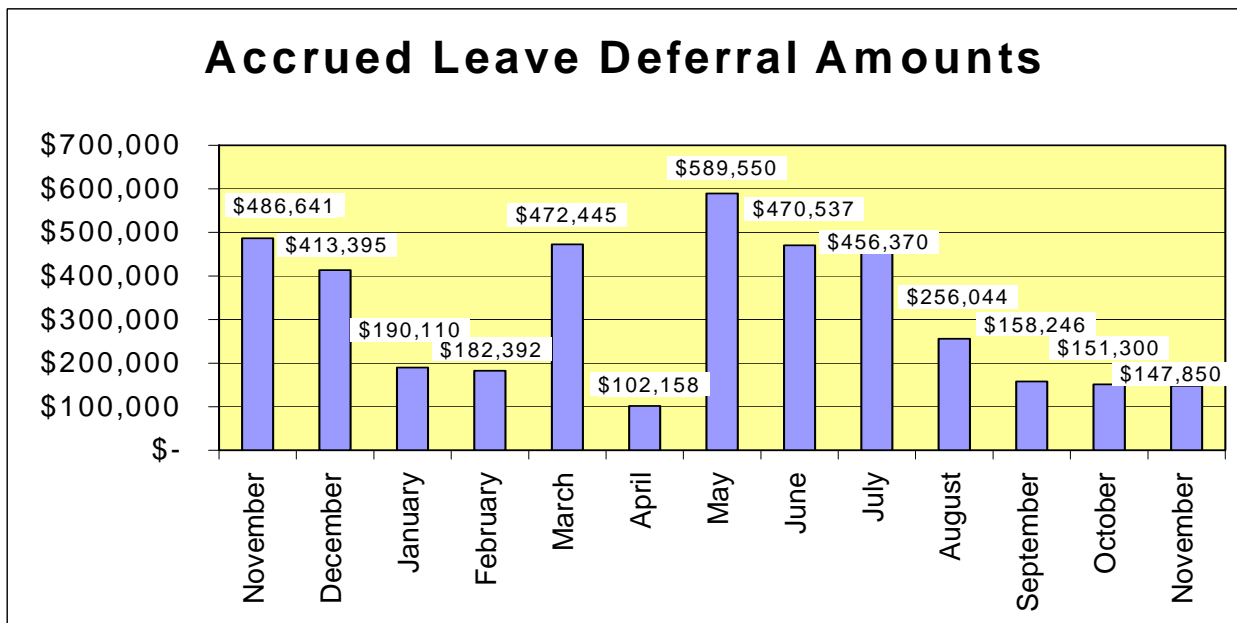
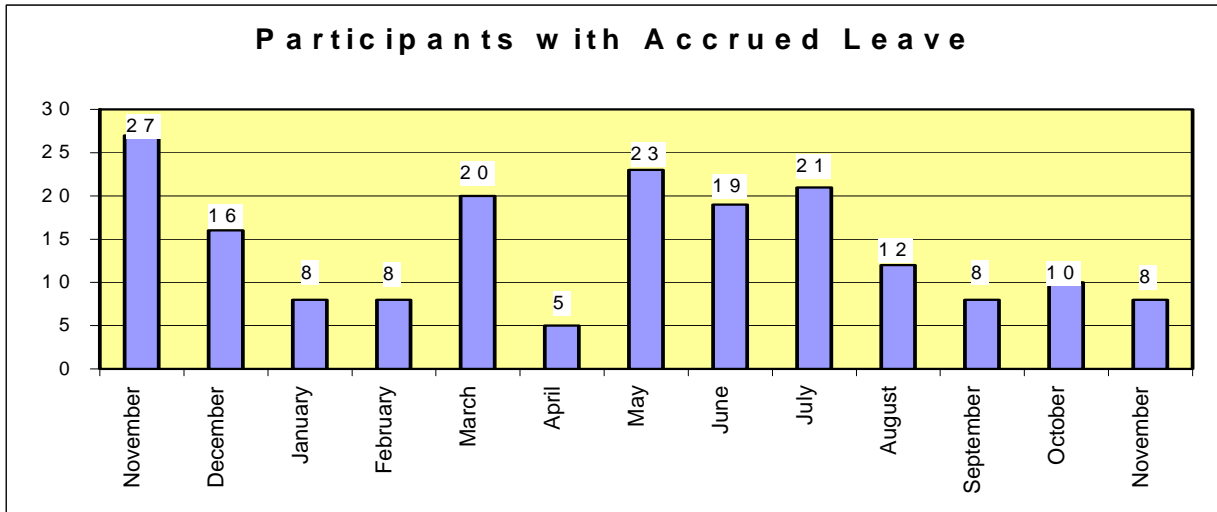
Activity Reports:

Counter Activity Employee Benefits Division – Staff has compiled the following results of Counter Activity flow for the months of October and November 2010. During the months of October and November, 377 participants visited the Employee Benefits Division to discuss their Deferred Compensation accounts with the Great-West representatives and/or staff. Following are counter activity results from January 2010 to November 2010:



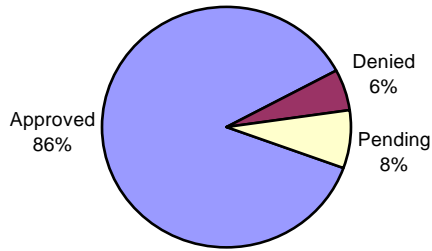
Accrued Leave Activity – Staff has compiled the following results of Accrued Leave enrollment for the months of October and November 2010. During the months of

October and November, eighteen participants elected to enroll in Accrued Leave and \$299,150 was contributed into the Plan from their Accrued Leave payouts. Following are accrued leave activity results from November 2009 to November 2010:

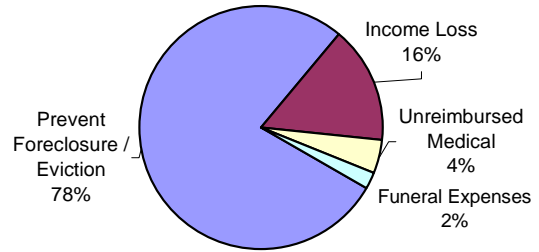


Hardship Activity – Staff has compiled the following results of hardship processing with Great-West for the months of October and November 2010. During the month of October, fifty-two hardship cases were submitted to Great-West. Forty-five cases were approved, three denied, and four were pending further documentation. During the month of November, thirty-five hardship cases were submitted to Great-West. Thirty cases were approved, two denied, and three were pending further documentation.

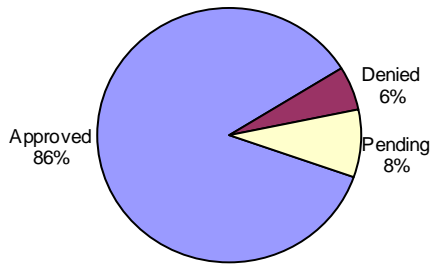
Hardship Activity October '10



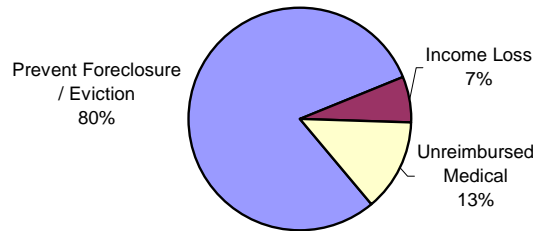
Distribution Reasons



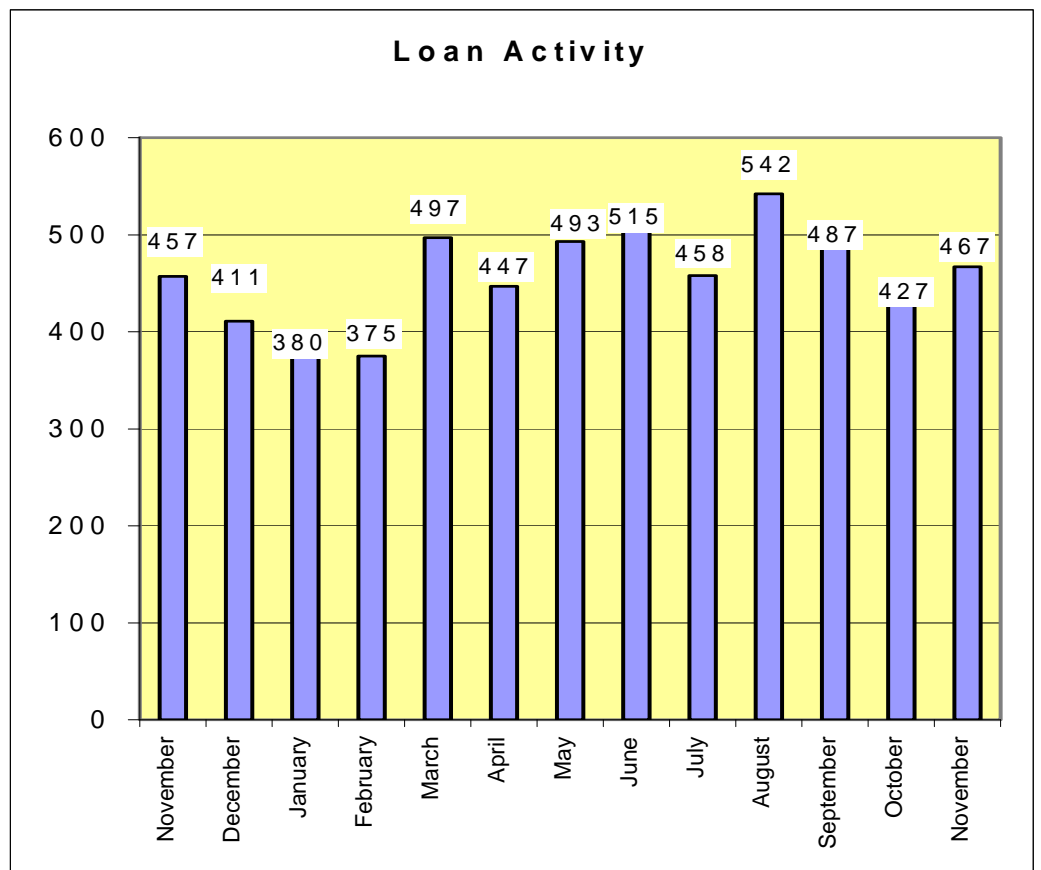
Hardship Activity November '10



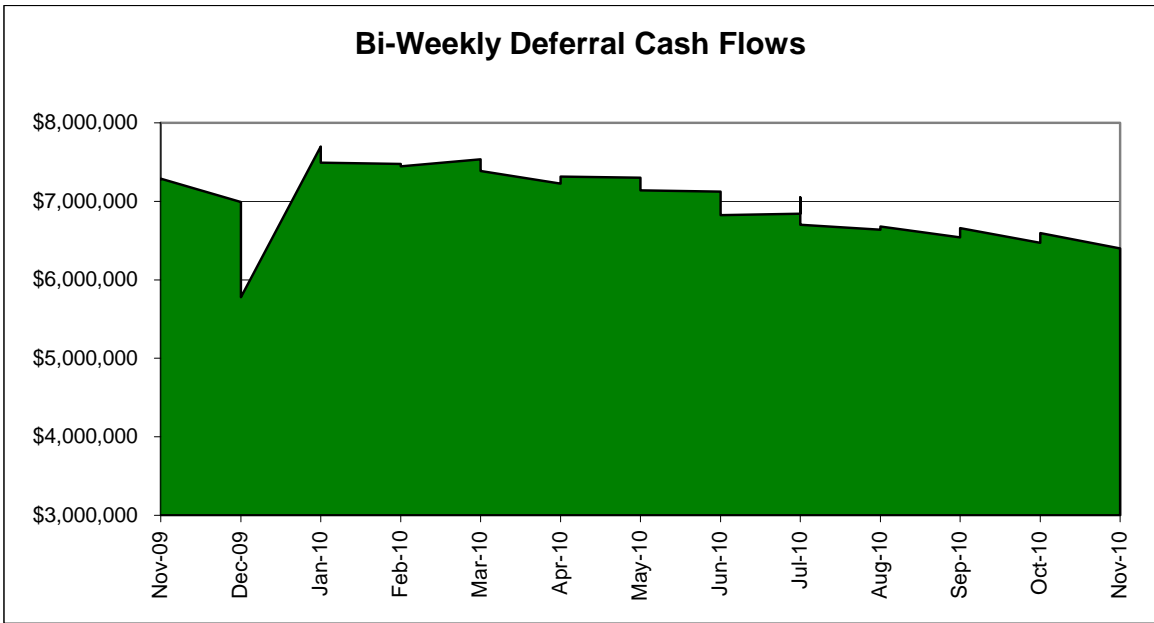
Distribution Reasons



Loan Activity – Staff has compiled the following results of new loans acquired for the months of October and November 2010. During the month of October, 427 participants elected to obtain a new loan and \$4,673,562 was withdrawn from the Plan from their loan payouts. During the month of November, 467 participants elected to obtain a new loan and \$4,920,994 was withdrawn from the Plan from their loan payouts.



Deferral Tracking - Staff has compiled the following results of bi-weekly deferral cash flows for the months of October and November 2010 for the City of Los Angeles and Department of Water and Power. During the month of October, the City and Department of Water and Power deferred \$13,065,817 into the Deferred Compensation Plan. This compares to **\$14,958,865** in October 2009, or a reduction of **12.7%** year-over-year. During the month of November, the City and Department of Water and Power deferred \$12,699,741 into the Deferred Compensation Plan. This compares to **\$14,564,846** in November 2009, or a reduction of **12.8%** year-over-year.



COMPLETED PROJECTS: OCTOBER 2010					
1	Completed	Board Report - Roth 457	10/08/10	10/08/10	n/a
2	Completed	Board Report - PPL Trust Review Referral	10/08/10	10/08/10	n/a
3	Completed	Board Report - Staff Report October meeting	10/08/10	10/14/10	n/a
4	Completed	National Save for Retirement Week - Promotion	10/22/10	10/22/10	n/a
5	Completed	PSP Contract Extension thru 12/31/11	06/30/10	10/14/10	n/a
6	Completed	Committee Report - Investment Menu Transition	10/31/10	10/20/2010	n/a
7	Completed	Minutes - Plan Governance Committee Meeting	10/31/10	10/27/2010	n/a
COMPLETED PROJECTS: NOVEMBER 2010					
1	Completed	Investments Committee Meeting	11/01/10	11/01/10	n/a
2	Completed	Bylaws Revisions 4	10/31/10	11/9/2010	n/a
3	Completed	Next Meeting - Plan Governance Committee - Bylaws	10/31/10	11/9/2010	n/a
4	Completed	Minutes - 10/19/10 Meeting	11/30/10	11/15/2010	n/a
5	Completed	Board Report - Cal-Net Meeting in January	11/30/10	11/18/2010	n/a
6	Completed	Board Report - Great-West Contract Negotiation	11/30/10	11/19/2010	n/a
7	Completed	Board Report - Provisional Chairs/Committee Membership	11/30/10	11/19/2010	n/a
8	Completed	Board Report - 2011 Budget	12/31/10	11/30/2010	n/a
PENDING PROJECTS					
#	STATUS	PROJECT	DUE DATE	COMPLETED	NOTES
1	PENDING	Draft Council Report - DCP Contract	12/31/10		Pending Board action
2	PENDING	Board and Consultant Reports - DCP Trust Consultant Review	12/31/10		Mercer completed first draft of review; sent back a number of questions and requests for them to expand report and issues addressed; conference call w/City Attorney and Mercer to be held on 12/6/10
3	PENDING	Board Report - Investment Menu Implementation	12/31/10		Met on 11/29/10 w/Mercer & Great-West to discuss alternative implementation strategies - need to develop report on master custodian issue pending additional research with other plans

4	PENDING	Roth 457 Implementation - Plan Document/Ad Code Review	12/31/10	Met w/DWP Payroll, they are preparing to be able to implement 4/1/11; Controller's action still pending; CalNet members still researching moving forward w/o California action; Mercer says we might be able to move forward
5	PENDING	Board Report - Roth 457 Implementation December Update	12/31/10	Pending
6	PENDING	Board Report - Small Account Balances	12/31/10	Pending
7	PENDING	Board Report - Staff Report December	12/31/10	Pending
8	PENDING	Board Report- Elections for 2011	12/31/10	Pending
9	PENDING	Roth 457 Implementation - Core Communication Document	01/31/11	Pending
10	PENDING	Fiduciary Liability Insurance	01/31/11	Pending
11	PENDING	Pension Savings Plan Quarterly Report & Update	01/31/11	Pending
12	PENDING	Board Report - Travel/Education Issues (On-site Review)	01/31/11	Pending City Attorney Review
13	PENDING	Board Report - Beneficiary Notifications and Focus Group Results	01/31/11	Focus group held 5/10-5/14; revisions to draft form pending; staff report being drafted
14	PENDING	Domestic Partners Research and Discussion with City Attorney and California Peers	01/31/11	Pending
15	PENDING	Review and report back on City of New York financial advice program	01/31/11	Pending
16	PENDING	Review and report back on PIMCO hedge fund strategy	01/31/11	Pending
17	PENDING	Review and report back on Plan statistics broken down by constituency	01/31/11	Pending
18	PENDING	Communications Plan: List of alternative DC publications and outlets (LACERS, Pensions, Union pubs, etc.)	01/31/11	Pending
19	PENDING	Plan Account Records	01/31/11	Researching obligations to retain historical records in light of issues w/Nationwide and Great Western Bank records
20	PENDING	Cal-Net Marketing Brochure on Retaining Assets	01/31/11	Materials obtained; first conference call on 7/13/10; draft flyer prepared, awaiting other versions/concepts
21	PENDING	Roth 457 Implementation: Revise Enrollment Form	02/28/11	Pending

22	PENDING	Roth 457 Implementation: Revise Enrollment Guide	02/28/11	Pending
23	PENDING	Roth 457 Implementation: Revise Distribution Guide	02/28/11	Pending
24	PENDING	Roth 457 Implementation - Payroll Deduction	02/28/11	Pending
25	PENDING	Board Report - Auto Glide-Path for Asset Allocation Funds	02/28/11	Pending
26	PENDING	Beneficiary Addresses	02/28/11	Beneficiary addresses can be captured on system - waiting to implement until we have new form issues resolved
27	PENDING	Board Report - Proxy Share Voting	02/28/11	Pending
28	PENDING	Investment Advice Review and Proposal	03/31/11	Pending
29	PENDING	Notification of Participants - Catch-Up Eligibility	03/31/11	Pending
30	PENDING	Pre-Audit Testing - Phase II	03/31/11	Pending
31	PENDING	Revise Mini-Enrollment Brochure	03/31/11	Pending
32	PENDING	Revise Pension Savings Plan Highlights	03/31/11	Pending
33	PENDING	Begin Processing Next Election Cycle	03/31/11	Pending
34	PENDING	Plan Document Revisions - Amend Plan Document to reflect 2009 RMD waiver - and make other necessary changes	04/30/11	Provided documentation to Natasha on 11/24/10; advised to consult w/City Atty on more substantive update of Plan Document
35	PENDING	Retirement Plan Summit	04/30/11	Pending
36	PENDING	Automatic Enrollment	04/30/11	Pending
37	PENDING	Revisit Plan Audit	04/30/11	Pending
38	PENDING	PSP Account Consolidation	04/30/11	Pending
39	PENDING	Statistical Project: Refined Count of Non-Contributing Participants	04/30/11	Pending
40	PENDING	Deemed IRA Implementation	04/30/11	Pending
41	PENDING	Retiree Loans	04/30/11	Pending

Staffing Summary – Following is a summary of staff positions supporting the Deferred Compensation Plan:

Position Authority	Incumbent Class	Percent Dedicated to DCP	Staff Member
Personnel			
Chief Personnel Analyst	Chief Personnel Analyst	25%	Alejandrina Basquez
Senior Personnel Analyst II	Senior Personnel Analyst II	80%	Steven Montagna
Management Analyst II	Management Analyst II	100%	Natasha Gameroz
Management Analyst II	Management Assistant	100%	Ashley Stracke
Benefits Specialist (prior incumbent left under ERIP)	Clerk Typist	100%	Claudia Guevara
City Attorney			
Assistant City Attorney	Assistant City Attorney	25%	Curt Kidder
Legal Assistant	Legal Assistant	40%	Vicky Williams

Submitted by: _____
 Natasha Gameroz

 Steven Montagna

Approved by: _____
 Alejandrina Basquez