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# DEFERRED COMPENSATION PLAN BOARD REPORT 07-18



Date: May 1, 2007

To: Board of Deferred Compensation Administration

From: Staff

Subject: Plan Governance Ordinance

Recommendation:

That the Board of Deferred Compensation Administration (a) approve the change in implementation dates for pending Plan Governance changes as indicated in this report; (b) authorize staff to initiate a new selection procedure for the retired representative on the Board; and (c) designate an ad hoc Retired Representative Selection Committee to review candidates for the Retired Representative on the Board and provide a recommendation for selection.

Discussion:

At the Board's April 17, 2007 meeting, staff was asked to return with recommendations with respect to the timing for implementing changes provided for within the pending ordinance concerning Board governance. This came about as a result of the delay in processing of the ordinance by the City Attorney's Office. At the meeting, some Board members expressed an interest in or support for keeping the implementation dates consistent with the historical fiscal year cycle for Plan governance changes.

As a result, the City Attorney has redrafted dates within the proposed ordinance to provide for the following:

- (1) The effective date of changes affecting the non-elected positions on the Board (i.e. the replacement of the City Treasurer position with the three retirement/pension system managers) would be July 1, 2008;
- (2) The first two elected positions on the Board (i.e. the LACERS and Pensions representatives) would be filled as of July 1, 2008;
- (3) The second two elected positions on the Board (i.e. the DWP and retired participant representatives) would be filled as of July 1, 2009;
- (4) Certification of the Labor position by employee labor organizations would be required as of July 1, 2008.

Staff would support the timing of these changes to (a) ensure that the election occurs at the beginning of a fiscal year, which is consistent with the Plan's customary cycle for governance changes; (b) avoid elections during the holiday season, which might tend to discourage participation; and (c) provide ample time to prepare for and execute the first elections, which might present certain challenges given that the Plan has not previously held elections.

*Retired Participant Representative* – With the proposed delayed implementation, a new appointment process for the Retired Representative under the existing rules for selection is now required. As a result, staff is recommending that the Board authorize staff to issue a solicitation for statements of interest from retired or otherwise separated Plan participants. Consistent with how this process has been conducted in prior years, the Board would need to appoint an ad hoc Committee to review the statements and hold candidate interviews in order to make a recommendation to the full Board. This process would need to be expedited in order to complete it in advance of the end of the current retired member's term in June 2007.

Submitted by: \_\_\_\_\_  
Steven Montagna

Approved by: \_\_\_\_\_  
Maryanne Keehn