

Deferred Compensation Plan BOARD REPORT 11-46

Date: July 6, 2011

To: Board of Deferred Compensation Administration

From: Plan Governance & Administrative Issues Committee
& Staff

Subject: Board Governance Policies/Bylaws

*Board of Deferred
Compensation Administration
Eugene, Canzano, Chairperson
John Mumma, First Provisional Chair
Cliff Cannon, Second Provisional Chair
Tom Moutes, Third Provisional Chair
Michael Amerian
Sangeeta Bhatia
Michael Perez
Robert Schoonover
Maggie Whelan*

Recommendation:

That the Board of Deferred Compensation Administration approve the Plan Governance and Administrative Issues Committee recommendation to adopt the Board of Deferred Compensation Administration Governance Policies/Bylaws as amended.

Discussion:

At the April 19, 2011 meeting, the Board reviewed the draft Board of Deferred Compensation Administration Governance Policies/Bylaws (Bylaws) submitted by the Plan Governance and Administrative Issues Committee. The Board requested amendments to the Bylaws regarding the following:

- Language stating that the Bylaws are posted on Plan website
- Removal of the Commissioner Code of Ethics reference
- A short description of Charter Section 245
- Board member resignations
- Required number of Committee members in attendance to run a meeting

Revisions to the language have been incorporated using Track Changes formatting. Staff recommends that the Board approve the draft Bylaws as amended. The following is a description of the main revisions made to the document:

Website Posting – Wording has been included on the Title Page stating that the Bylaws are posted on the Plan website.

Attachment C – References to the Commissioner Code of Ethics have been removed from the document and replaced with Executive Directive No. 1 – “Ethics in Government”. A provision has been added under the Attachments section stating that the Board shall review Executive Directive No. 1 upon the election of a new mayor on July 1, 2013. Executive Directive No. 1 states that City Officials and staff shall participate in mandatory ethics training and file disclosure forms in a timely fashion.

Charter Section 245 Reference – Per the Board’s request, a brief description of Charter Section 245 has been added to Section 2.1A(2). For the Board’s reference, staff has also attached the relevant Charter Section 245 language.

Agenda Items – The provision regarding how items are placed on the agenda was moved from Section 3.5D to Section 3.5A for organizational purposes. A provision has also been added stating that agendas shall be placed on the website in compliance with the Ralph M. Brown Act.

Resignations – The provision regarding Board member resignations was originally located in Section 4: “Committee Operations & Governance Policy”. Staff believes this is more appropriate for Section 3: “Governance & Administration of Meetings” since this pertains to the Board rather than the Committees. In addition, per the request of the Board, the provision has been rephrased to state that Board members “may resign by informing the Board or staff, preferably in writing, of the effective date of his/her resignation.”

Committee Purpose – A provision has been added to the beginning of Section 4: “Committee Operations & Governance Policy” to clarify that the purpose of the Committees is to review items referred by the Board and propose recommendations to the full Board. This provision was included to clarify that final Board action should not be made at the Committee level should a quorum of the Board be present. This new Section 4(A) supports Section 4(K) which states that while non-Committee members may attend Committee meetings, only Committee members may vote.

Committee Attendance – At the April 19, 2011 meeting, the Board discussed the value of having more than one Committee member in attendance to conduct Committee meetings. A provision has been added to state that at least two members are required to conduct a meeting. In addition, a provision was also added stating that the Committee could move a recommendation of the Board with a majority of those present at the Committee meeting. The provision requiring the Committee Chair to be present was removed at the request of the Board.

Vendor Communication – In regards to Section 6.8, former Board member Richard Kraus indicated that he believed there were matters outside of the procurement process in which Board and staff members should not communicate with vendors or their representatives about. As a result of this discussion, staff has amended the language to state “Board members and staff shall not communicate with current or prospective vendors or their representatives, or any other person or organization, for the purpose or intent of having a particular vendor secure or **maintain** a contract **or business with the City’s Plan**, or otherwise realize financial gain from the City’s Plan.”

Board Participation in RFP Review – Board Counsel has requested that Section 7(B) be amended to include a reference to Los Angeles Municipal Code (LAMC) 49.5.17 “Commissioner Participation in Contracting Process.” LAMC 49.5.17 states that “...no Board member shall participate in or otherwise be involved in the development, review, evaluation, negotiation and recommendation process of bids, proposals or any other submittals or requests for the award of a contract, contract amendment, or change order...” According to this section, this does not preclude the Board from reviewing staff recommendations, providing direction to staff on contract requirements and negotiations, or reviewing

documents or other information provided by staff to prepare for Board or Committee meetings.

Submitted by: _____
Ashley Stracke

Reviewed by: _____
Natasha Gameroz

Approved by: _____
Steven Montagna

Approved by: _____
Alejandrina Basquez