

Deferred Compensation Plan BOARD REPORT 15-50

Date: September 4, 2015
To: Board of Deferred Compensation Administration
From: Staff
Subject: Staff Report – Projects & Activity Report

*Board of Deferred
Compensation Administration
John R. Mumma, Chairperson
Michael Amerian, Vice-Chairperson
Cliff Cannon, First Provisional Chair
Thomas Moutes, Second Provisional Chair
Raymond Ciranna, Third Provisional Chair
Linda P. Le
Wendy G. Macy
Robert Schoonover
Don Thomas*

Recommendation:

That the Board of Deferred Compensation Administration receive and file staff's update on Plan projects and activities during August 2015.

Discussion

This report provides updates and informational items relative to the following:

A. CURRENT/UPCOMING PROJECTS & BOARD MEETING CALENDAR

Projects – Personnel Department staff are responsible for four primary functions relative to executing the City's Deferred Compensation Plan: communications, operations, administration, and governance. Below are certain key projects that staff have been working on (outside of the projects discussed in separate accompanying reports):

Communications

- *Market Volatility:* Starting the week of August 24, 2015, the market experienced significant drop and subsequent volatility. Staff and Empower Retirement worked to create a message that was posted onto the participant website (below). Empower also indicated that there was a significant spike in traffic for participant web usage and KeyTalk calls.

Dealing with market ups and downs

In light of recent market volatility, it's only natural to be concerned about your personal financial circumstances—especially your retirement plan. Everyone's personal situation and comfort with risk is different, however, so it's always a good idea to assess your own situation and make decisions accordingly.

Click [here](#) for more information.

Representatives of GWFS Equities, Inc. are not registered investment advisors and cannot offer financial or investment advice.

- **DCP Mid-Cap Fund:** Staff and Empower worked to develop a bulletin message notification to participants related to the DCP Mid-Cap Fund pricing delays. This matter was unrelated to the market's volatility. Further detail is included in a separate Board report on this agenda.
- **National Retirement Security Week:** Staff continues its work on this campaign, as discussed in further detail in a separate Board report on this agenda.
- **In-Plan Roth Conversion:** Staff is working on the communications to advertise and describe this feature. Staff and Empower have developed a web banner that will be posted on the participant site, and is in process of finalizing the informational page that will link to the banner. This page may also be used by the local representatives to refer to with participants in the office. This topic will be the leading article in the 3rd Quarter newsletter, set to mail at the end of October.
- **DOT Targeted Enrollment Initiative:** Postcards encouraging Plan enrollment were mailed to Plan eligible, non-participating Department of Transportation (DOT) employees on August 25, 2015.



Additionally, on August 28, 2015, DOT employees received a memo co-signed by the General Managers of DOT and Personnel, which encouraged participation in the Plan and also announced dates and times for table service and informational meetings during the month of September at key DOT locations. Posters were also created and will be posted at the facilities.



All table service and informational meeting events are also open to any Plan participant or City employee; all events have been posted on the Plan's local representative calendar and are highlighted with a special web banner that participants can view upon log-in.



Operations

- **Revenue Share:** Staff reviewed options related to application of revenue share credit received from the Fidelity International Fund. Since the fund is no longer in the Plan's investment menu line-up and therefore not available to be

credited to, staff and Empower are discussing options for crediting the amounts back to the appropriate participants.

- *Web Security Passcodes*: Staff is working with Empower to improve the security of participants' online account access. The Plan will launch an enhanced alphanumeric passcode feature which would be an option for all current accounts and mandatory for new accounts as of September 20, 2015. Currently, participants access their online accounts with a numeric PIN.

Administration

- *Contracts*: Staff continues to finalize agreements for services procured earlier this year. These include contracts with Mercer Investments Consulting and Segal Consulting for Plan consulting services and Galliard Capital Management for stable value fund management services.
- *Metrics*: Staff continues its work on identifying and tracking Plan data, related to its efforts for the Targeted Enrollment Initiative and other general metrics reporting efforts.
- *Cost Allocation Plan (CAP) Rate*: Staff continues its research regarding the methodology for calculating Plan-related reimbursements and will report to the Board when its analysis and recommendations are completed. Tentatively, staff is anticipating that it should have a recommendation to the Board at its October meeting.

A summary of all completed and upcoming projects for Division staff is provided as Attachment A.

Meeting Calendar – Staff maintains a calendar of upcoming Board meetings and proposed topics. This calendar includes the annual meeting plan and will be refined and updated as the Board meets and objectives/assignments are refined for the coming year. The current calendar is provided as Attachment B.

B. STAFFING AND COMMITTEE ASSIGNMENTS

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

Position Authority	Incumbent Class	Function	Est. Percent Reimbursed by DCP	Staff Member
Personnel				
Chief Personnel Analyst	Chief Personnel Analyst	Division Chief	20%	Steven Montagna
Senior Personnel Analyst II	Senior Personnel Analyst II	Plan Manager	60%	Alexandra Castillo
Senior Personnel Analyst I	Senior Management Analyst I	Administration	100%	Esther Chang
Management Analyst II	Management Analyst II	Operations	90%	Paul Makowski
Management Analyst II	Management Analyst II	Communications	90%	Matthew Vong
Benefits Specialist	<i>Vacant</i>	Participant Services	90%	<i>Vacant</i>

City Attorney				
Assistant City Attorney	Assistant City Attorney	Board Counsel	25%	Curt Kidder
Legal Assistant	Legal Assistant	Participant Legal Services	40%	Vicky Williams

Staff is conducting a Benefits Specialist transfer opportunity process to fill the vacant Benefits Specialist position. The notification is expected to be issued within the next two weeks.

Committee Membership – Following is the new committee roster as designated by the Board Chairperson, effective July 20, 2015:

Plan Governance & Administrative Issues Committee
John R. Mumma, Chair
Cliff Cannon
Linda P. Le
Michael Amerian

Investments Committee
Raymond Ciranna, Chair
Thomas Moutes
Michael Amerian
Don Thomas

C. Informational Items and Updates

Electronic Communications - At a previous Board meeting, staff was asked to clarify how statements can be sent to participants electronically.

For participants who choose to receive statements electronically, they receive an e-mail letting them know that their statement is ready for viewing in their online file cabinet. The participant then must log in to their account online and can view any of his/her statements and any accompanying “stuffers” that might have been included with the hard copy mailing.

Empower indicated that it does not have the ability to attach the statement to the email as this is not a secure method of delivery; although the social security number is not printed on the statement, there is a great deal of personal and financial information that is contained in the statement. Empower states that depositing it to the online file cabinet is a secure form of delivery since the participant must first log into their account.

Submitted by: _____
Esther Chang

Reviewed by: _____
Alexandra Castillo

Approved by: _____
Steven Montagna

ATTACHMENT A

DEFERED COMPENSATION						
		Legend:				
		G = Governance				
		C = Communications				
		O = Operations				
		A = Administration				
COMPLETED PROJECTS: AUGUST 2015						
#	STATUS		PROJECT	DUE DATE	COMPLETED?	NOTES
1	Completed	G	Minutes - July 2015 Meeting	08/31/15	Y	
2	Completed	G	Board Report - Staff Projects & Activities	08/31/15	Y	
3	Completed	G	Board Report - NSFRW 2015 Campaign Proposal	08/31/15	Y	
4	Completed	G	Board Report - Hardship Request 15-01	08/31/15	Y	
5	Completed	G	Board Report - Auto Enrollment Program Update	08/31/15	Y	
6	Completed	G	Board Report - TPA RFP	08/31/15	Y	
7	Completed	G	Board Report - Investment Manger	08/31/15	Y	
8	Completed	G	NAGDCA TRAVEL Update - Board Travel Guide	08/31/15	Y	
9	Completed	C	DOT Targeted Enrollment - Postcard Content & Design	08/31/15	Y	
10	Completed	C	DOT Targeted Enrollment - Poster Content & Design	08/31/15	Y	
11	Completed	C	DOT Targeted Enrollment - Updated Mailing List	08/31/15	Y	
12	Completed	C	DOT Targeted Enrollment - Memo from Personnel/DOT GM	08/31/15	Y	
13	Completed	C	Intranet Updates (Board and staff contacts, Elections)	08/31/15	Y	
14	Completed	C	Employee Benefits Division NEWSLETTER - Content & Format Development	08/31/15	Y	
15	Completed	A	PLAN SPONSOR Survey	08/31/15	Y	
16	Completed	O	Review Mortgage Loan Process	08/31/15	Y	
17	Completed	O	Plan Payroll & Transaction Processing	08/31/15	Y	Ongoing, for paycheck dates 8/5, 8/19
18	Completed	O	Participant & Payroll Issues Resolution	08/31/15	Y	Ongoing
PENDING PROJECTS						
SEPTEMBER 2015						
19	PENDING	G	Board Report - DCP RFP Update	09/30/15		Pending

20	PENDING	G	Board Report - Quarterly Plan Review 6/30/2015	09/30/15		Pending
21	PENDING	G	Board Report - DCP Mid-Cap Fund Pricing Information	09/30/15		Pending
22	PENDING	G	FY 2016-17 Travel Budget	09/30/15		Pending
23	PENDING	G	Board Report - NSFRW 2015 Update & Draft Survey	09/30/15		Pending
24	PENDING	G	Board Report - Board Training	09/30/15		Pending
25	PENDING	G	Board Report - Staff Projects & Activities	09/30/15		Pending
26	PENDING	G	Minutes - August 2015 Meeting	09/30/15		Pending
27	PENDING	O	Participant Website - Alphanumeric Password Conversion	09/30/15		Pending
28	PENDING	O	In-Plan Roth Conversion - Implementation	09/30/15		Pending
29	PENDING	C	Web Bulletin Updates			Messaging for market volatility and DCP Mid-Cap Pricing
30	PENDING	C	In-Plan Roth Conversion - Info Flyer	09/30/15		Pending
31	PENDING	C	NSFRW 2015 - Participant Surveys for Active	09/30/15		Pending
32	PENDING	C	NSFRW 2015 - Participant Surveys for Retirees	09/30/15		Pending
33	PENDING	C	NSFRW 2015 - Video Development	09/30/15		Pending
34	PENDING	C	NSFRW 2015 - Flyer	09/30/15		Pending
35	PENDING	C	NSFRW 2015 - Mayor's Proclamation Request	09/30/15		Pending
36	PENDING	C	Research - Video Content Development Capabilities	09/30/15		Pending
37	PENDING	C	Accrued Leave - Flier and Form Revisions	09/30/15		Pending
38	PENDING	C	Catch Up - Form revisions	09/30/15		Pending
39	PENDING	C	Distribution Options Guide - Tax and Loan revisions	09/30/15		Pending
40	PENDING	C	Calculator Revisions	09/30/15		Pending
41	PENDING	A	Budget procedural revisions	09/30/15		Pending
OCTOBER						
45	PENDING	G	Minutes - Sep 2015 Meeting	10/31/15		Pending
46	PENDING	G	Board Report - Staff Projects & Activities	10/31/15		Pending

47	PENDING	G	Board Report - 2014 PSP Annual Report	10/31/15		Pending
48	PENDING	G	Board Report - NSFRW 2015 Update	10/31/15		Pending
49	PENDING	G	Board Report - FDIC Provider Recommendation	10/31/15		Pending
50	PENDING	G	Board Report - Admin Intern	10/31/15		Pending
51	PENDING	G	Board Report - Pension Savings Plan Update	10/31/15		Pending
52	PENDING	G	Board Report - Draft PSP RFP	10/31/15		Pending
53	PENDING	G	Board Report - Staffing percentages and CAP Rates	10/31/15		Pending
54	PENDING	G	Quarterly Communications Update Report	10/31/15		Pending
55	PENDING	A	Stable Value - Finalize Galliard Contract	10/31/15		Pending
56	PENDING	A	Consulting Services - Finalize Segal Contract	10/31/15		Pending
57	PENDING	A	Consulting Services - Finalize Mercer Contract	10/31/15		Pending
58	PENDING	A	Bank of the West - Additional Account Services Agreement Review	10/31/15		Pending
59	PENDING	A	FDIC Savings - Bank of the West Contract	10/31/15		Pending
60	PENDING	A	FDIC Savings - Union Bank	10/31/15		Pending
61	PENDING	O	Loan Default Reversal - Hold Harmless	10/31/15		Pending
UPCOMING						
62	PENDING	G	Board Report - Distributions & Contributions - Retirees who return to work	TBD		Pending
63	PENDING	G	Report back recapping presentation on Financial Wellness from Strategic Planning Meeting	TBD		Pending
64	PENDING	G	Letter to City Council re 10% Early Distribution Penalty	TBD		Pending
65	PENDING	G	Metrics Tracking Document	TBD		Pending
66	PENDING	G	PSP Program Review - Proposal for Terminated Accounts	TBD		Pending
67	PENDING	G	Loan Policy Document	TBD		Pending
68	PENDING	G	Board Report - Historical Contribution History	TBD		Pending
69	PENDING	G	Board Report - SAS Form	TBD		Pending
70	PENDING	G	Review of CA Governmental Plan - Demographic Files	TBD		Pending

71	PENDING	G	Board Report - Contractor Evaluation Policy	TBD	Pending
72	PENDING	G	Board Report - Retirement/Pension System Retired Loan Payments	TBD	Pending
73	PENDING	G	Investments Committee Meeting: Investment Policy Review - Termination	TBD	Pending
74	PENDING	G	Board Report - Proxy Share Voting	TBD	Pending
75	PENDING	G	Research adding other Plan type in order to increase savings opportunities (from 8/21/12 BDCA meeting)	TBD	Pending
76	PENDING	G	Deemed IRA	TBD	Pending
77	PENDING	G	Auto-Glide Investment Allocations	TBD	Pending
78	PENDING	G	Board Report - Transition Manager Procurement	TBD	Pending
79	PENDING	G	Retirement Plan Summit	TBD	Pending
80	PENDING	G	Revisit Plan Audit	TBD	Pending
81	PENDING	G	Board Report - Social Media Options	TBD	Pending
82	PENDING	C	Revise Pension Savings Plan Highlights	TBD	Pending
83	PENDING	C	Letter Notification to Participants RE: Catch-Up Eligibility ("Attained Age Letters")	TBD	Pending
84	PENDING	C	EZ Enrollment Form	TBD	Pending
85	PENDING	C	2-Page IOAG format	TBD	Pending
86	PENDING	C	Enrollment Guide Revision	TBD	Pending
87	PENDING		Active-Retiree Loan Transfer Guide/Packet		
88	PENDING	C	New Brand Style Guide	TBD	Pending
89	PENDING	C	Design Templates - PowerPoint and Word	TBD	Pending
90	PENDING	C	Participant Survey Proposal - Plan Satisfaction	TBD	Pending
91	PENDING	C	Create Catch-Up Flyer Incorporating Roth & Revise Catch up Form/Flyer re Accrued Leave	TBD	Pending
92		C	DROP Options Guide update-revisions	TBD	Pending
93	PENDING	C	Website Tutorial/Education Videos	TBD	Pending
94	PENDING	C	Enrollment Form Revision Phase 2 (Auto escalation & PSP Rollover addition)	TBD	Pending
95	PENDING	C	DROP participant fee comparison graphic flier	TBD	Pending

96	PENDING	C	EZ Enrollment Form	TBD		Pending
97	PENDING	C	Draft Citywide Memo re Marketing by Non-Contracted Financial & Benefit Services Providers	TBD		Pending
98	PENDING	C	Loan Highlights Flier Revisions	TBD		Pending
99	PENDING	C	Revise Distribution Form	TBD		Pending
100	PENDING	C	Roth 457 Intro Guide Revise/Redesign	TBD		Pending
101	PENDING	C	DCP Glossary	TBD		Pending
102	PENDING	C	Communications Plan: List of alternative DC publications and outlets (LACERS, Pensions, Union pubs, etc.)	TBD		Pending
103	PENDING	O	Catch-Up Unused Amount Calculation - Memo to Controller	TBD		CU Unused Amount Reporting - Ticket submitted to Controller.
104		O	Catch Up Contribution changes allowed online	TBD		Pending
105	PENDING	O	PSP Account Consolidation	TBD		Pending
106	PENDING	O	Domestic Partners Research and Review with City Attorney and California Peers	TBD		Pending
107	PENDING	O	Online Enrollment Functionality	TBD		Pending
108	PENDING	O	Pre-Audit Testing - Phase II	TBD		Pending
109	PENDING	O	PST Retroactive Adjustments - Meeting w/ LACERS & Controller	TBD		Pending
110	PENDING	O	DCP Workprocesses Review & Documentation	Ongoing		Pending

BDCA 2015 AGENDA TOPICS

	Administrative Issues	Presentations/Training
October	2015 NAGDCA Conference Review	Training: Investment Analysis
	TPA RFP Update - Participant Communications	
	FDIC Provider Recommendation	
	Plan Staffing - Administrative Intern	
	Pension Savings Plan Update	
	PSP 2014 Annual Report	
	Quarterly Contracts Update	
	Quarterly Communications Update	
	Auto-Enrollment Program Update	
November	PSP - RFI Results	Quarterly Investment & Economic Review Fund Manager Presentation
	Plan Reimbursements & CAP Rate	
	Targeted Enrollment Campaign Results	
	Auto-Enrollment Program Update	
	TPA RFP Update	
	Quarterly Reimbursements ending 9/30/15	
	Quarterly Reimbursements ending 3/31/15	
	Quarterly Reimbursements ending 6/30/15	
December	2015 NSFRW - Summary & Review	TPA/Plan Statistics Review
	Beneficiary Campaign Follow-Up	
	Auto-Enrollment Program Update	
	TPA RFP Update	