

DEFERRED COMPENSATION PLAN BOARD REPORT 11-20

Date: March 3, 2011
To: Board of Deferred Compensation Administration
From: Staff
Subject: Staff Report: Completed & Pending Projects & Activity Report

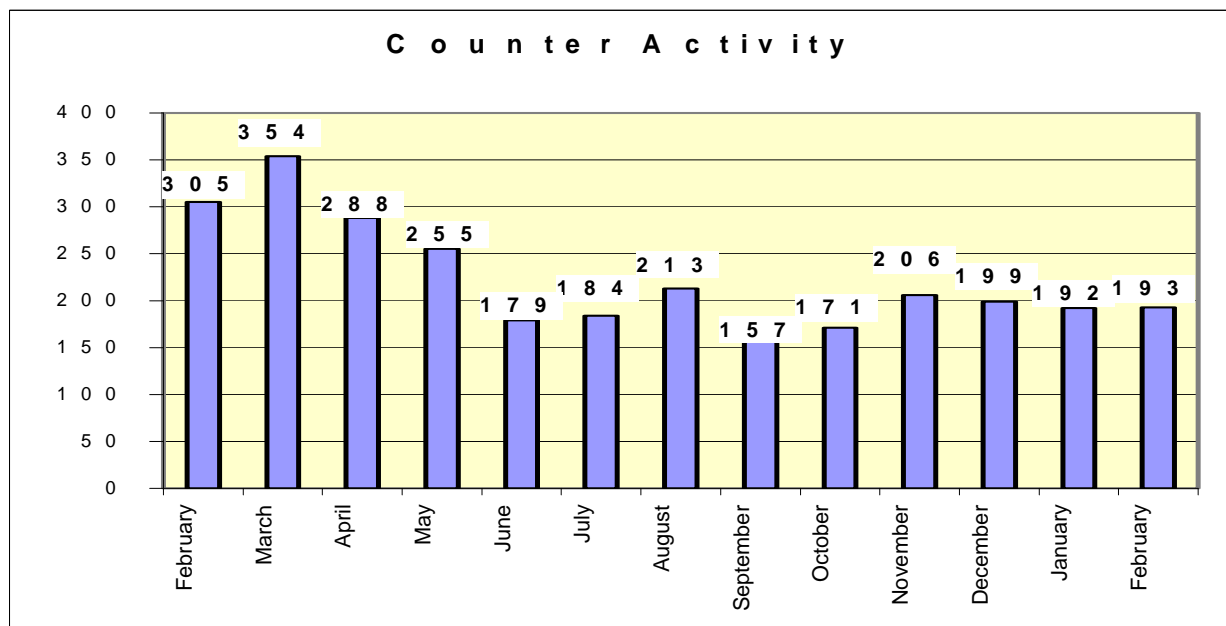
Members
Eugene K. Canzano, Chairperson
Richard Kraus, Vice-Chairperson
Sangeeta Bhatia
Cliff Cannon
Tom Moutes
John R. Mumma
Michael Perez
Robert Schoonover
Maggie Whelan

Recommendation:

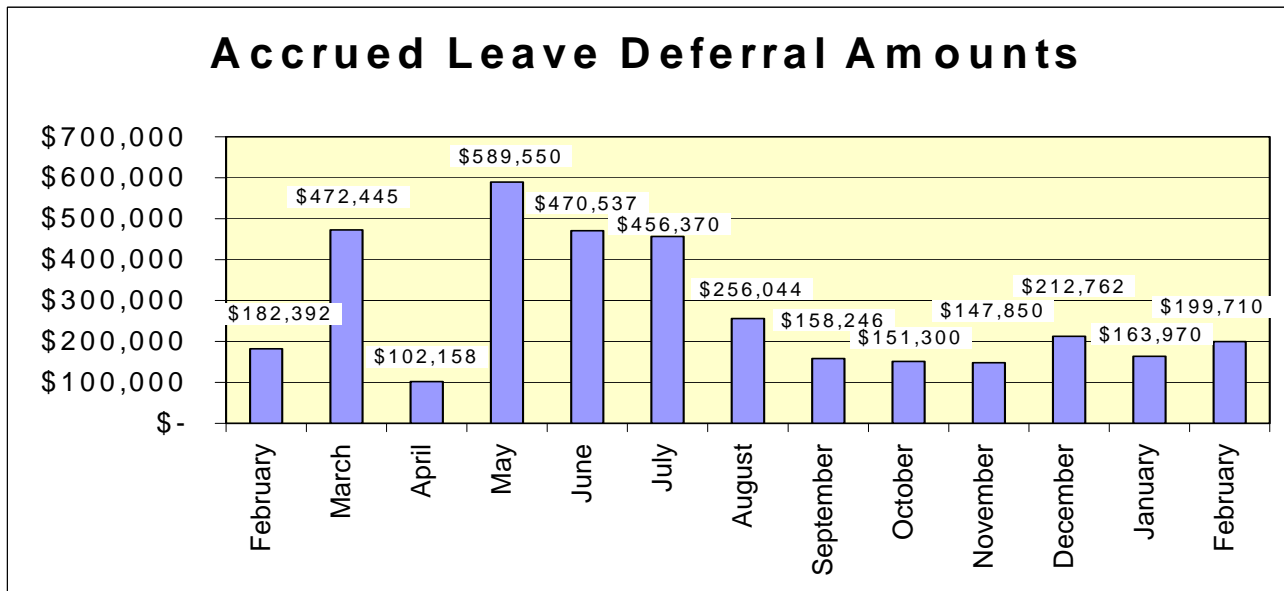
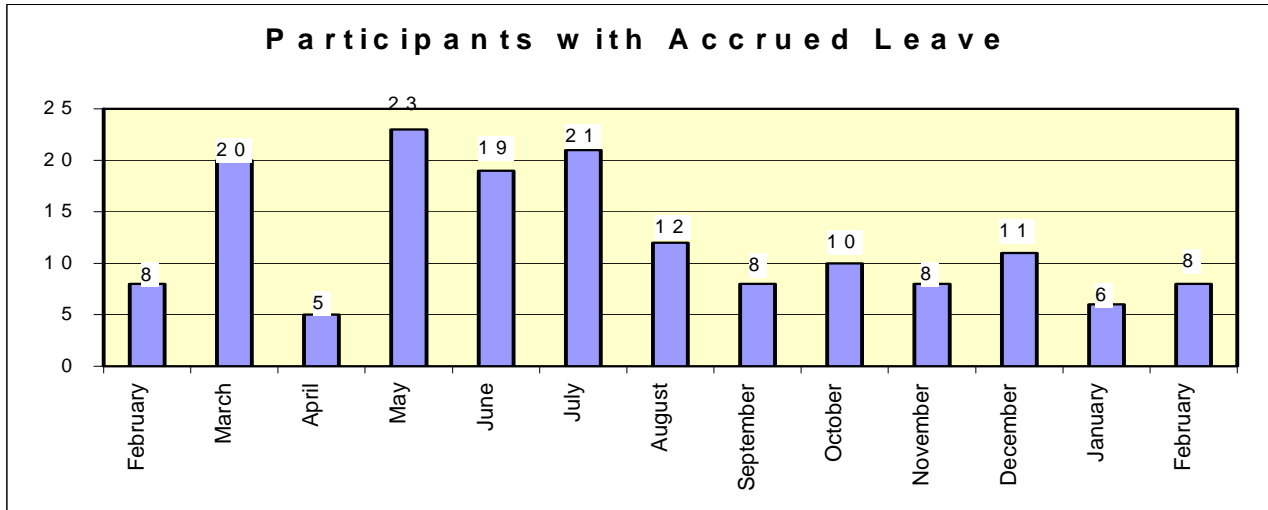
That the Board of Deferred Compensation Administration receive and file the following information.

Activity Reports:

Counter Activity Employee Benefits Division – Staff has compiled the following results of Counter Activity flow for the month of February 2011. During the month of February, 193 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 February 2010 to February 2011:

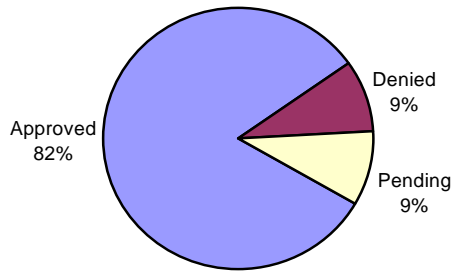


Accrued Leave Activity – Staff has compiled the following results of Accrued Leave enrollment for the month of February 2011. During the month of February, eight participants elected to enroll in Accrued Leave and \$199,710 was contributed into the Plan from their Accrued Leave payouts. Following are accrued leave activity results from February 2010 to February 2011:

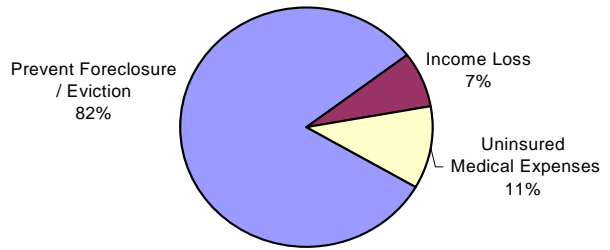


Hardship Activity – Staff has compiled the following results of hardship processing with Great-West for the month of February 2011. During the month of February, thirty-three hardship cases were submitted to Great-West. Twenty-seven cases were approved, three denied, and three were pending further documentation.

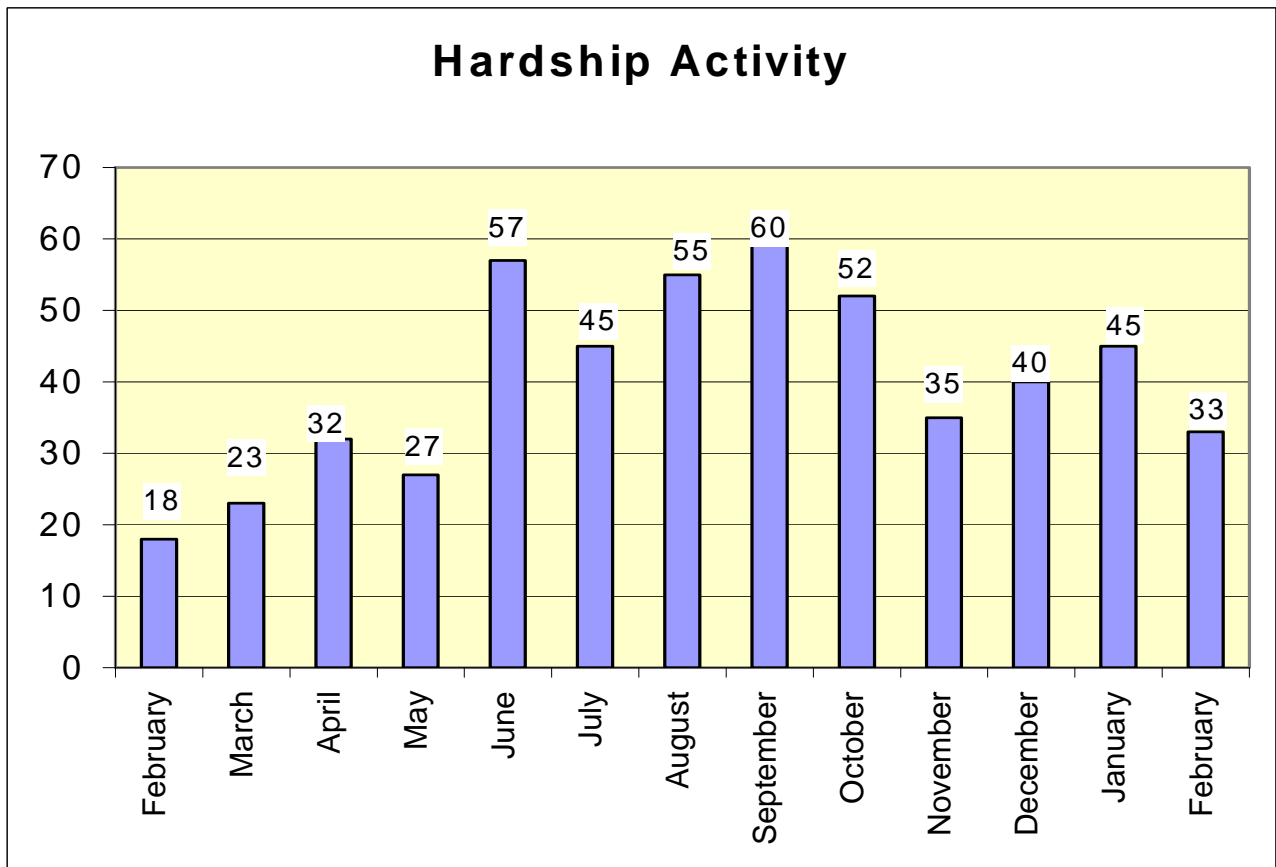
Hardship Activity February'11



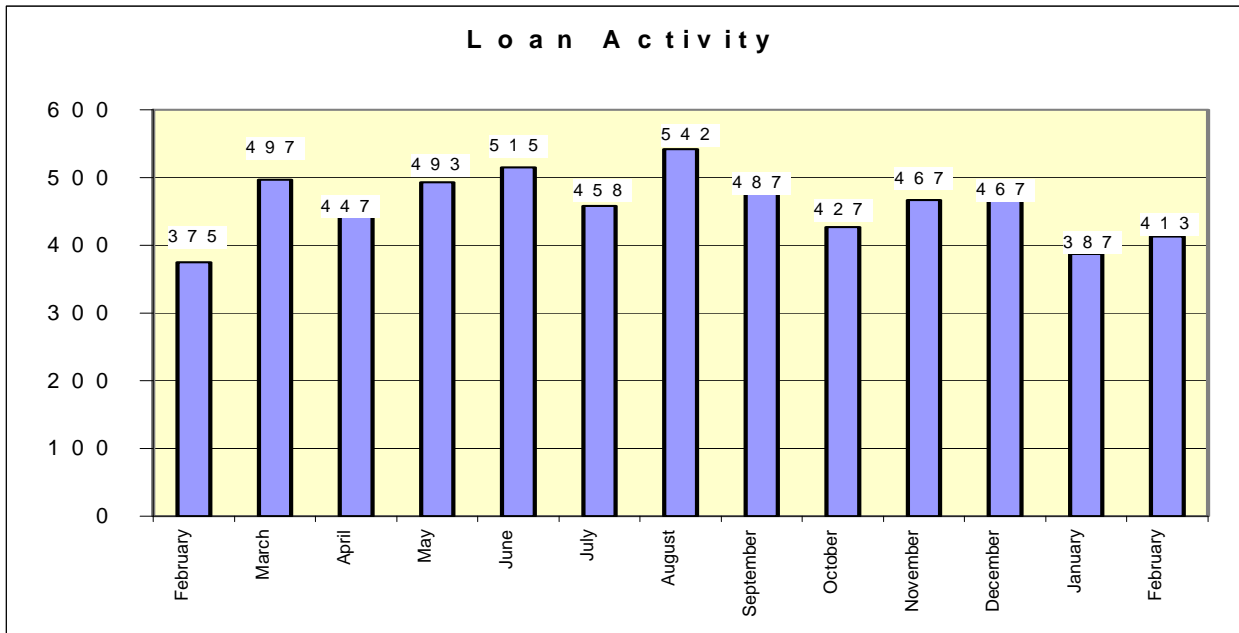
Distribution Reasons



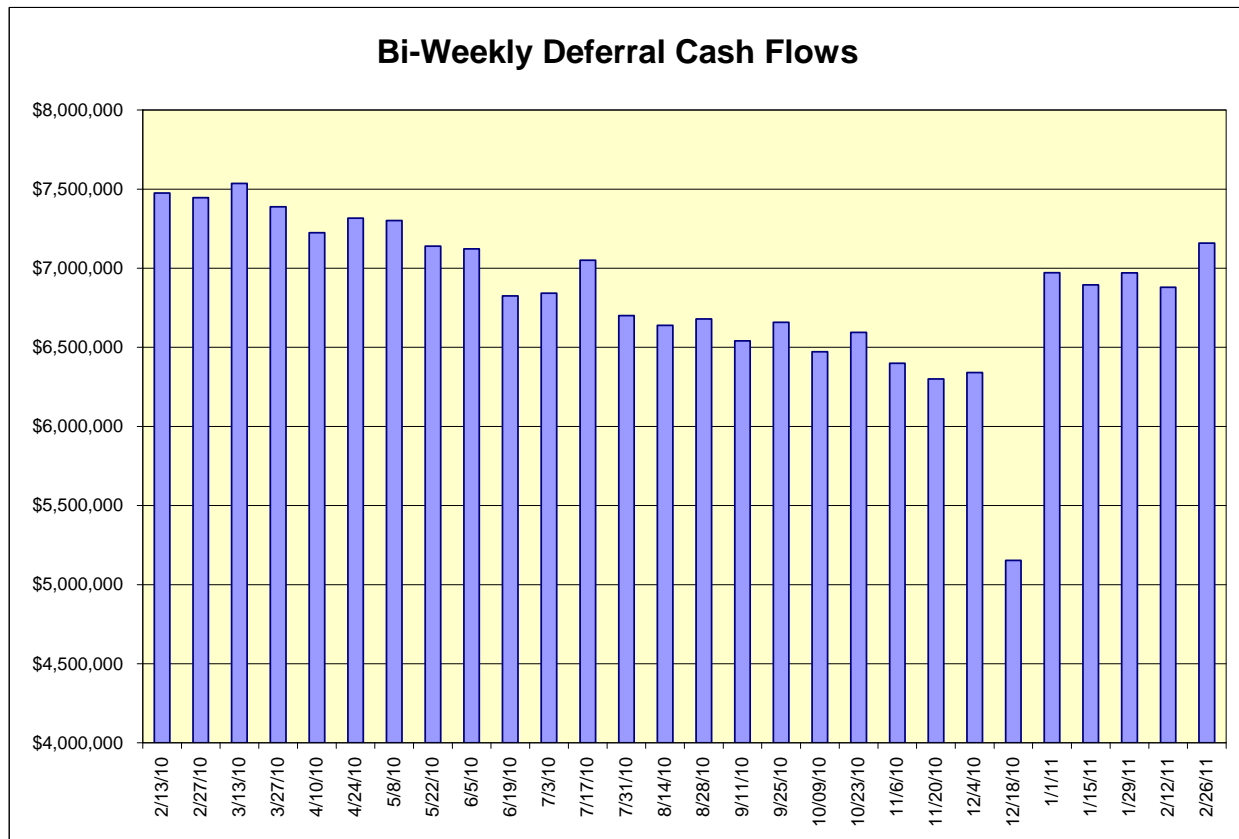
Following are hardship activity results from February 2010 to February 2011:



Loan Activity – Staff has compiled the following results of new loans acquired for the month of February 2011. During the month of February, 413 participants elected to obtain a new loan and \$5,127,588 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 month of February 2011 for the City of Los Angeles and Department of Water and Power. During the month of February, the City and Department of Water and Power deferred \$14,036,556 into the Deferred Compensation Plan. This compares to **\$14,920,286** in February 2010, or a reduction of **5.9%** year-over-year.



PROJECT UPDATE
(reflects project activity for period 02/01/11 through 02/28/11)

COMPLETED PROJECTS: FEBRUARY 2011					
#	STATUS	PROJECT	DUE DATE	COMPLETED	NOTES
1	Completed	Board Report - DCP Contract Extension	02/04/11	02/01/11	N/A
2	Completed	Board Report - Summary of San Francisco CalNet Meeting	02/04/11	02/01/11	N/A
3	Completed	Board Report - Elections Update February	02/04/11	02/01/11	N/A
4	Completed	Board Report - Bylaws	02/04/11	2/4/2011	N/A
5	Completed	Board Report - Staff Report February	02/04/11	2/4/2011	N/A
6	Completed	Board Report - February Roth Update	02/04/11	2/4/2011	N/A
PENDING PROJECTS					
#	STATUS	PROJECT	DUE DATE	COMPLETED	NOTES
1	PENDING	Council Report - TPA Contract Extension	3/4/2011		Drafting for 03/15/11 Board Meeting
2	PENDING	Board Report - Quarterly Budget Review 9/30/10	3/4/2011		Drafting for 03/15/11 Board Meeting
3	PENDING	Board Report - March Staff Report	3/4/2011		Drafting for 03/15/11 Board Meeting
4	PENDING	Board Report - March Elections Update	3/4/2011		Drafting for 03/15/11 Board Meeting
5	PENDING	Board Report - March Roth Update	3/4/2011		Drafting for 03/15/11 Board Meeting
6	PENDING	Board Report - Revised Bylaws	04/08/11		Drafting for 04/19/11 Board Meeting
7	PENDING	Board Report - Small Account Balances	04/08/11		Drafting for 04/19/11 Board Meeting
8	PENDING	Investments Committee - Fund Implementation	04/08/11		Staff/Mercer drafting an Investment Policy and revised implementation plan for Committee meeting slated for late March/early April.
9	PENDING	Great-West Contract Amendment - Wells Fargo	04/08/11		Staff/Great-West drafting proposed amendment, to be submitted to City Attorney for review
10	PENDING	RFP-Fund Custodian	04/08/11		Mercer utilizing its Sentinel Group to draft RFP questionnaire
11	PENDING	Roth 457 Implementation - Core Communication Document	04/01/11		Initial draft of concept prepared and submitted to Great-West on 2/11
12	PENDING	Board Plenary Authority/ Fiduciary Liability Insurance	04/08/11		Staff researching this with assistance from Mercer & City Attorney & drafting report
13	PENDING	Deferred Compensation and Pension Savings Plan Annual reports	04/08/11		Staff drafting reports for 04/19/11 meeting.
14	PENDING	Board Report - In-Kind Transfers from SDBO	04/08/11		Staff researching and drafting report 04/19/11 meeting
15	PENDING	Minutes - 03/15/11 Meeting	04/08/11		Pending

16	PENDING	Board Report - April Roth Update	04/08/11	Pending
17	PENDING	Board Report - April Staff Report	04/08/11	Pending
18	PENDING	Board Report - Consulting Services RFP	05/06/11	Pending
19	PENDING	Board Report - FDIC Option Asset Apportionment	05/06/11	Staff working with Mercer to develop policy for FDIC option to address balancing yield with expanded FDIC insurance objective
20	PENDING	Board Report - Travel/Education Issues (On-site Review)	05/06/11	Pending
21	PENDING	Board Report - Beneficiary Notifications and Focus Group Results	05/06/11	Pending
22	PENDING	Advertisements for DCP in City/Employee Publications	05/31/11	Pending
23	PENDING	Domestic Partners Research and Discussion with City Attorney and California Peers	05/31/11	Pending
24	PENDING	Review and report back on City of New York financial advice program	05/31/11	Pending
25	PENDING	Roth 457 Implementation: Revise Enrollment Form	05/31/11	Pending
26	PENDING	Roth 457 Implementation: Revise Enrollment Guide	05/31/11	Pending
27	PENDING	Roth 457 Implementation: Revise Distribution Guide	05/31/11	Pending
28	PENDING	Roth 457 Implementation - Payroll Deduction	05/31/11	Pending
29	PENDING	Beneficiary Addresses	05/31/11	Beneficiary addresses can be captured on system - waiting to implement until we have new form issues resolved
30	PENDING	Plan Document Revisions - Amend Plan Document to reflect 2009 RMD waiver - and make other necessary changes	05/31/11	Provided documentation to Natasha on 11/24/10; advised to consult w/City Atty on more substantive update of Plan Document
31	PENDING	Review and report back on PIMCO hedge fund strategy	06/30/11	Pending
32	PENDING	Review and report back on Plan statistics broken down by constituency	06/30/11	Pending
33	PENDING	Communications Plan: List of alternative DC publications and outlets (LACERS, Pensions, Union pubs, etc.)	06/30/11	Pending
34	PENDING	Plan Account Records	06/30/11	Researching obligations to retain historical records in light of issues w/Nationwide and Great Western Bank records
35	PENDING	Cal-Net Marketing Brochure on Retaining Assets	06/30/11	Materials obtained; first conference call on 7/13/10; draft flyer prepared, awaiting other versions/concepts

36	PENDING	Board Report - Auto Glide-Path for Asset Allocation Funds	07/31/11	Pending
37	PENDING	Board Report - Proxy Share Voting	07/31/11	Pending
38	PENDING	Investment Advice Review and Proposal	08/31/11	Pending
39	PENDING	Notification of Participants - Catch-Up Eligibility	08/31/11	Pending
40	PENDING	Pre-Audit Testing - Phase II	08/31/11	Pending
41	PENDING	Revise Mini-Enrollment Brochure	08/31/11	Pending
42	PENDING	Revise Pension Savings Plan Highlights	08/31/11	Pending
43	PENDING	Retirement Plan Summit	09/30/11	Pending
44	PENDING	Automatic Enrollment Initiative	09/30/11	Pending
45	PENDING	Revisit Plan Audit	09/30/11	Pending
46	PENDING	PSP Account Consolidation	09/30/11	Pending
47	PENDING	Statistical Project: Refined Count of Non-Contributing Participants	09/30/11	Pending
48	PENDING	Deemed IRA Implementation	09/30/11	Pending
49	PENDING	Retiree Loans	09/30/11	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 Gameraoz

Steven Montagna

Approved by:

Alejandrina Basquez