

GOVERNANCE POLICIES/BYLAWS

BOARD OF DEFERRED COMPENSATION ADMINISTRATION

ADOPTED _____

1. DEFINED TERMS

- 1.1. "Plan" refers to the City of Los Angeles Deferred Compensation Plan.
- 1.2. "LAAC" refers to the City of Los Angeles Administrative Code.
- 1.3. "Board" refers to the Board of Deferred Compensation Administration.
- 1.4. "Staff" refers to positions, either in whole or in part, within the Personnel Department providing support to the Board in its administration of the Plan and which have been authorized by the Board for reimbursement from the Plan.
- 1.5. "Counsel" refers to positions, either in whole or in part, within the Office of the City Attorney providing legal advice and support to the Plan and which have been authorized by the Board for reimbursement from the Plan.
- 1.6. "RFP" refers to a Request For Proposal.
- 1.7. "NAGDCA" refers to the National Association of Governmental Defined Contribution Administrators, Inc.

2. DUTIES AND RESPONSIBILITIES OF THE BOARD, STAFF, AND COUNSEL

2.1. The Board

2.1.1. The authority for the operation of the Plan is provided under Internal Revenue Code Section 457 and the regulations promulgated thereunder; LAAC Division 4, Chapter 14; and the Deferred Compensation Plan “Plan Document” as adopted by the Board. The Board’s duties and responsibilities are outlined as follows:

- A. Administer and exercise its authority under the Plan for the exclusive benefit of Plan participants and their beneficiaries.
- B. Rule on all questions arising out of the administration, interpretation and application of the Plan, which determination shall be conclusive and binding on all Participants.
- C. Provide a diverse array of investment options providing Plan participants opportunities to devise investment strategies appropriate for their individual investment objectives and risk tolerance.
- D. Exercise prudence and diligence in the selection of contractors providing support services to the Plan.
- E. Exercise prudence and diligence in all matters regarding the collection of and expenditure of participant fees.
- F. Adopt and administer a Plan Document which shall provide for the appropriate administration of the Plan consistent with Internal Revenue Code Section 457, the regulations promulgated thereunder, and other applicable and related portions of Federal and State law.

2.1.2. The duty to act always for the exclusive benefit of Plan participants and their beneficiaries shall take precedence over any other duty.

2.1.3. In governing the Plan, the Board is committed to acting in strict accordance with its fiduciary duties, including those of prudence, loyalty and care. Consistent with their fiduciary duties, Board members will strive to meet the highest standards of ethical conduct.

2.1.4. Developing and Adopting Policies

- A. Approve and amend as necessary policies to ensure appropriate administration of the Plan.
- B. Delegate the execution of established Board policies to staff and contracted agents.

2.1.5. Reviewing and Evaluating Performance

- A. Monitor no less frequently than quarterly the performance and institutional viability of its various investment providers, incorporating where applicable appropriate performance benchmarks and peer comparisons.

2.1.6. Other Board Responsibilities include:

- A. At all times meet high ethical standards that exceed legal minimums.
- B. Be responsible and accountable to Plan participants and their representative constituencies as represented by the governance of the Plan.
- C. Effectively and proactively communicate with participants through all of the media available to the Plan to advise them of the rules, benefits and features of the Plan.
- D. Provide for the elections of constituent representatives on the Board in accordance with the governance requirements set forth in LAAC Division 4, Chapter 14.
- E. Establish permanent or standing Committees as appropriate to facilitate the proper deliberation of matters under the jurisdiction of the Board.
- F. Set the Board agenda by identifying, articulating, prioritizing and scheduling matters the Board will regularly address.
- G. Create and maintain an atmosphere that encourages frank and collegial discussions both at the Board and Committee level and as between the Board and staff. The Board strives to achieve a governing style that emphasizes:
 - (1) An outward vision with a focus on the future
 - (2) Being proactive
 - (3) Respect for diversity of viewpoints
 - (4) Governance by consensus
 - (5) A partnership with Plan staff
 - (6) Ethical conduct of Board business to avoid actual or apparent impropriety

2.2 STAFF

Personnel Department staff (hereafter “Staff”) duties and responsibilities are outlined as follows:

- 2.2.1 Provide oversight of and facilitate all aspects of employee participation in the Plan, including but not limited to enrollment, contributions to and withdrawals from individual accounts, rollovers and transfers, hardships, loans, account separations due to divorce, records requests, payroll corrections, and all other participant-related functions and processes.
- 2.2.2 Provide the Board with information, analysis and recommendations related to policies, procedures and issues related to the Board’s proper administration of the Plan.
- 2.2.3 Develop a proposed annual budget for Plan revenues and expenses and recommend to the Board quarterly reimbursements for expenses incurred by the City in support of the Plan.
- 2.2.4 Under the direction of the Board, coordinate and administer procurement processes for all services related to administration of the Plan, including but not limited to investment management, consulting, and third-party-administrative services.
- 2.2.5 Under the direction of the Board, coordinate and administer the Board’s review of investment options offered by the Plan.
- 2.2.6 Under the direction of the Board, draft, execute and monitor all Plan contracts for services.
- 2.2.7 Coordinate and administer on behalf of the Plan all elections for the Board of Deferred Compensation Administration.
- 2.2.8 Provide recommendations as necessary to update the Plan Document.
- 2.2.9 Review, monitor and execute Plan administrative processes to ensure they are compliant with applicable law and regulations .
- 2.2.10 Oversee development, and ensure effectiveness and accuracy, of all participant communications, including group meeting presentations, newsletters, Plan websites, forms, and educational materials.
- 2.2.11 Schedule, coordinate and develop agendas for all Board and Committee meetings, including recurring presentations from the Board’s investment managers, consultants, and third-party-administrator.
- 2.2.12 Participate to the extent possible in associations, educational forums, and similar organizations/events outside the City’s Plan for the purpose of information sharing and creating strategic alliances that may inure to the benefit of the Plan.

- 2.2.13 Act as liaison to Board Counsel for all regulatory, technical and legal issues affecting the Plan.
- 2.2.14 Review and monitor pending or final legislation that may impact the Plan and its participants.
- 2.2.15 Exercise all other directives of the Board as well as obligations mandated by Federal/State/Local law, the Plan Document, or other applicable policies or procedures.

2.3 COUNSEL

City Attorney staff (hereafter "Counsel") duties and responsibilities are outlined as follows:

- 2.3.1 Attend all Board and Committee meetings to ensure compliance with applicable public meeting laws and relevant Federal/State/Local laws and Board policies.
- 2.3.2 Provide the Board with information, analysis and recommendations related to all regulatory matters and legislative changes that may affect the Plan.
- 2.3.3 Provide review of all documents related to Plan procurement and contracting, including but not limited to investment management, consulting, and third-party-administrative services.
- 2.3.4 Provide recommendations as necessary to update the Plan Document.
- 2.3.5 Facilitate employee participation in the Plan related to those functions and participant services (including but not limited to account separations due to divorce, beneficiary claims, and death claims) requiring legal review.
- 2.3.6 Exercise all other directives of the Board as well as obligations mandated by Federal/State/Local law, the Plan Document, or other applicable policies or procedures.

3 GOVERNANCE AND ADMINISTRATION OF MEETINGS

3.1. Board Officers - The Board shall elect a Chairperson, Vice-Chairperson, and First, Second, and Third Provisional Chairs at its first meeting following the first day in July of every even numbered year; or in the event one of the individuals holding one of these titles separates from the Board, at the earliest possible meeting following that individual's separation. Presiding over meetings shall be the responsibility of the Chairperson; or, in the absence of the Chairperson, the Vice-Chairperson; or, in the absence of both the Chairperson and Vice-Chairperson, each Provisional Chair in numerical ranking assuming the absence of all those higher in the successive order. That successive order shall be as follows:

- (1) Chairperson
- (2) Vice Chairperson
- (3) First Provisional Chair
- (4) Second Provisional Chair
- (5) Third Provisional Chair

This same successive order would apply in the event that attendance of a Board representative is required at a meeting of the Los Angeles City Council, a City Council Committee, or other similar event.

3.2. Chairperson Duties and Responsibilities - The Chairperson will exercise the powers and will perform the duties and functions as specified herein:

- A. Recommend to the Board for its consideration the formation, or dissolution of standing committees;
- B. Form and dissolve ad hoc committees;
- C. Appoint members to each standing or ad hoc committee;

Preside at all Board meetings, ensuring that such meetings are conducted in an efficient manner and in accordance with the City Charter and Administrative Code, applicable public meeting laws including the Brown Act, and relevant Board policies, including utilizing Robert's Rules of Order as a guideline in conducting meetings.

3.3. Vice-Chairperson & Provisional Chairs Duties and Responsibilities - The Vice-Chairperson, or in the absence of the Vice-Chairperson, the Provisional Chairs in successive order as outlined in 2.1, will exercise the powers and will perform the duties and function as specified herein:

- A. Assume the duties of the Chairperson when the Chairperson is absent, or when the Chairperson shall designate the Vice-Chairperson/Provisional Chairs to act; and

- B. Assume the duties of Chairperson for the balance of the Chairperson's term or until a majority of the Board elects a new Chairperson in the event of the death, resignation, removal from office, or permanent disability of the Chairperson.

3.4. Meetings

- A. The Board will hold meetings on the third Tuesday of each month at 9:00 AM. The approximate length of meetings will be three hours. Meetings may be added or cancelled at the direction of the Chairperson of the Board, staff, or if a quorum is not met. Special meetings may be called by the Chairperson or by staff.
- B. The Board has the authority to designate the location of its meetings. All meetings of the Board shall be open to the public, and the requirements of the Ralph M. Brown Act (Government Code 54950-54962) shall govern all such meetings.
- C. The Chairperson or presiding member of the Board shall determine all questions of procedure and order. Parliamentary formality shall not be required; however, Robert's Rules of Order shall be utilized as a guideline to resolve any procedural questions. Any issues involving a potential conflict of interest of a Board member may be referred to the Board's legal counsel for advice and determination.

3.5. Agendas, Minutes, and Meeting Materials

- A. Staff shall prepare the agenda for each Board and committee meeting.
- B. Every agenda for a regular Board or committee meeting shall provide the public an opportunity to address the Board or committee at each meeting during posted public comment session, on any item under the subject matter jurisdiction of the body. With respect to any item on the agenda, the public will be given the opportunity to comment before or during the Board or Committee's consideration of the item. The public shall also be given an opportunity to comment on closed session items prior to adjournment into closed session. Where a member of the public raises an issue not yet before the Board or Committee, the item may be discussed but no action may be taken at that meeting. To ensure the efficient conduct of Board and Committee business, there shall be a 5-minute limit on public comment by a member of the public per agenda item or new matter which is to be enforced by the presiding officer. [Ralph M. Brown Act, Sec. 54954.3]
- C. Board meeting materials will be provided to Board members within a reasonable number of days in advance of meetings such that Board members will have sufficient time to review and consider the materials. Committee meeting materials will also be provided electronically to Committee members within a reasonable number of days in advance of Committee meetings. Appropriate meeting materials will be posted on the

Personnel Department Deferred Compensation Plan website and made available at the same time they are provided to Board members.

- D. Minutes for each Board and Committee meeting shall be prepared, which provide a summary of all business conducted and a disposition of all motions, and shall be presented to the appropriate body for approval. Once approved, the minutes shall form part of the permanent records of the Board and will be posted on the Personnel Department Deferred Compensation Plan website.
- E. The Board Chairperson and staff have the authority to place items on the agenda. Any Board member may propose items for future Board meetings, provided they do so in advance at a Board meeting. Board members proposing items may do so by making a request through the Board Chairperson or making a public request at a Board meeting. Emergency items may be placed on Board meeting agendas in accordance with Sections 54954.2 and 54956.5 of the Ralph M. Brown Act.

3.6. Quorum, Voting Requirements, & Staff Attendance

- A. The Board shall exercise the powers conferred upon it by order or resolution adopted by a majority of its members.
- B. To provide a clear record of Board actions, roll call for voting at Board meetings shall be taken when the vote is not unanimous.
- C. The Board shall consist of nine members as described in the LAAC Sec. 4.1407. Five Board members shall constitute a quorum for regular and special meetings of the Board.
- D. All motions transacted by a committee are subject to Board approval, unless the Board has delegated to the Committee specific authority to act on its own (e.g. actions pertaining to the Committee's own operation such as approving agenda, meeting schedules, etc.)
- E. A quorum is not required for a committee to move a recommendation to the Board.
- F. Any Board member may attend, and participate in discussions of, any meeting of any committee of the Board; however, at any committee meeting (or at any committee meeting that has become a Special Meeting of the Board due to the presence of a quorum of the Board), only members of the Committee may vote.
- G. Personnel Department staff shall attend all Board and Committee meetings. No action shall be taken without staff being allowed an opportunity to participate in the discussion.

3.7. The Board has the authority to establish and amend its bylaws.

4 COMMITTEE OPERATIONS & GOVERNANCE POLICY

4.1. Operational Rules

- A. The Board Chairperson may establish any ad hoc Committees or recommend to the Board the formation of any standing Committee deemed necessary to support the Board in carrying out its responsibilities.
- B. The Board has established two standing Committees: the Investments Committee, which is responsible for examining issues related to the investments options made available under the Plan; and the Plan Governance & Administrative Issues Committee, which is responsible for examining issues related to Plan oversight, ethics, surveys, fees and other issues of a non-investment nature delegated for consideration by the full Board.
- C. The Board Chairperson will appoint the members of each standing and ad hoc Committee. The Board Chairperson will also appoint the Chairperson and Vice-Chairperson of each Committee.
- D. Committee Members may be removed or replaced by the Chairperson or Acting Chairperson by his/her own act.
- E. In determining the members and chairs of each Committee, the Board Chairperson and the Board shall consider:
 - (1) The need to maintain a level of continuity in Committee membership
 - (2) The need to ensure to the extent possible that Board members' Committee appointments reflect their areas of interest and experience; and
 - (3) The need to ensure that Board members gain experience in different Committees.
- F. The Chairperson of each Committee shall preside at all meetings of the Committee. In the absence of the Committee Chairperson, the remaining members of the Committee will elect a temporary chair.
- G. A quorum of the Board is not required for the Committee to conduct a meeting; however, the Committee Chairperson (not a temporary chair) must be present in order for an action to be taken.
- H. Committee meetings shall be called by the Committee Chairperson in coordination with staff.
- I. Committees shall operate under Robert's Rules of Order unless otherwise specified by statute, Board action, or these bylaws.

- J. Committees shall adhere to the same public notification and meeting requirements as the Board.
 - K. Committees shall communicate with the Board in the form of Report(s) to the Board, offering recommendations and discussion upon referred matters for the Board's consideration.
 - L. Staff shall provide, in a timely manner prior to the meeting, agendas and the appropriate paperwork to conduct a committee meeting.
 - M. Committees only have the authority to vote on recommendations to the full Board.
- 4.2. Resignations – Any elected or appointed Board member who becomes ineligible to serve based on an inability to meet the eligibility requirements of the position, or incapacity to attend meetings and participate fully in the Board's deliberations, shall resign from the Board by submitting a letter to the Board Chairperson indicating the effective date of his/her resignation. An elected or appointed Board member who chooses to resign for any other reason shall similarly submit a letter to the Board Chairperson indicating the effective date of his/her resignation.

5 FISCAL ADMINISTRATION POLICY

Pursuant to LAAC Division 5, Chapter 92, a “Deferred Compensation Plan Trust Fund” has been established for the receipt and retention of fees charged to Deferred Compensation Plan participants to provide funding for the administration of the Deferred Compensation Plan. In addition, the Board maintains an account with its third-party-administrator which functions as a repository for administrative fees collected in order to meet the City Plan’s contractual fee obligations to the third-party-administrator. Monies maintained in either Fund shall be used to pay for all administrative and operating costs generated by the Plan, as approved by the Board, and under no circumstances may be used for any purpose other than that which accrues to the benefit of Plan participants and their beneficiaries.

- 5.1. On a quarterly basis Personnel Department staff will reconcile the revenues, expenditures, assets and liabilities of the Fund and submit to the Board for approval such fund transfers as may be necessary to reimburse the Personnel Department, Department of Water and Power, and the Office of the City Attorney for their operational expenses in administering the Plan. In its quarterly reports Personnel Department staff will provide and update 5-year projections for Plan revenue/expenses.
- 5.2. To protect Plan participants from fluctuations in assets which may require frequent changes to participant fees, the Board has established a target reserve surplus of \$1.5 million in the aggregate of both Funds.

6 CODE OF ETHICS

- 6.1. Members of the Board must at all times meet high ethical standards that exceed legal minimums. Individual Board members shall avoid favoritism, conflict and disclosure of privileged information at all times and shall act in the best interest of the Plan consistent with their fiduciary duties.
- 6.2. Board members shall conduct themselves with integrity and dignity, strive to understand the Plan's objectives, and exercise care, prudence and diligence in handling confidential information.
- 6.3. Board members shall not seek nor accept any compensation or political contributions that would violate California law, including without limitation the Political Reform Act of 1974.
- 6.4. Board members shall not seek nor accept any gifts, or reimbursements for travel or any other activity, that is not specifically permitted in California's Political Reform Act of 1974.
- 6.5. Board members shall take positive steps to prohibit breaches of duty (through negligence or intentional action), unauthorized communication with individuals seeking to influence the Board, and unauthorized communication with individuals who may receive personal gains as a result of Board actions, such as, but not limited to, the conducting of serial meetings and discussion with any respondents to any procurement process concerning issues directly related to the matter while the procurement process is underway.
- 6.6. Board members shall never act where there may be a conflict of interest or appearance of conflict of interest. A conflict of interest is understood to be a situation where a relationship exists that could reasonably be expected to diminish independence of judgment in performance of official responsibilities as a Board member. Specifically, Board members may not participate in decisions that may result in significant personal economic advantage.
- 6.7. Board members recognize that all Plan business transactions are to be based on integrity, competence, financial merit and benefit to Plan participants and their beneficiaries, and not on personal relationships.

7 PROCUREMENT PROCESSES AND CONTRACTING

7.1. The Board recognizes it is imperative during all procurement and contracting processes to safeguard the trust of Plan participants, assure the integrity of the process, meet its fiduciary obligations as Board members, provide a fair and equitable process for interested vendors, efficiently consider the broadest pool of potential providers, and make decisions which are based strictly on what is in the best interests of the Plan and its participants. Towards that end, all members of the Board agree to conduct themselves in the highest ethical manner before, during and following a procurement process, to include the following:

- A. Board members agree not to meet privately with employees, representatives or registered lobbyists of any actual or potential respondent in the twelve months prior to scheduled initiation of a procurement process, nor within any time period following the initiation of a procurement process and up until the award of a final contract, with the purpose or result of engaging in a conversation materially related to the vendor's securing business from the City's Plan, without immediately disclosing the substance of that contact in writing to Plan staff and other members of the Board. Failure to comply with this requirement will disqualify that Board member from voting with respect to that Request for Proposal.
- B. No member of the Board shall participate directly in the review of responses to RFP unless all Board members participate in that review process equally. All such review shall be conducted by the Board's staff, consultant, and/or other members of a review committee established by the Board for each RFP.
- C. Board members and staff will abide by applicable gift restrictions pursuant to State law and City policy.
- D. Firms which currently have contracts with the Plan and who are potential candidates for the award of a contract or the renewal of an existing contract will be allowed to continue contact related to the performance of the existing contract with staff, but they shall not have any discussions or communications with them or with Board members regarding a subsequent procurement process or proposed future contract, or regarding the renewal of the existing contract, other than as permitted by this policy and, beyond the observance of gift restrictions provided for under law, shall not provide any type of gift or entertainment to Board members or staff in the twelve months prior to expiration of the existing contract.
- E. Firms that are determined to be finalists will be required to submit a statement listing all contacts with Board members, staff and consultants during the search period.

- F. Any violation of this section shall result in automatic disqualification of the firm involved.
- G. This section is not intended to prohibit contact with potential candidates for award of a contract at group social events, educational seminars, conferences, or charitable events so long as there is no direct marketing, and there are no discussions about the contract or the process to award it.

8 BOARD EDUCATION AND TRAVEL POLICIES

8.1. Purpose - The Board recognizes that education and training can support the proper fulfillment of Board/staff roles and responsibilities. The Board further recognizes that educational expenses are paid from participant fees and therefore education must be appropriate and relevant, and the expenditure of funds judicious, such that the expenditure will result in a demonstrable benefit to Plan participants.

8.2. Education Objectives – The objectives of the Board’s education program are to promote awareness of the following subject areas involved in administering the Plan:

- (a) The obligations and role of a fiduciary and the paramount duties of loyalty and prudence.
- (b) Ethics requirements dictated by State/City law as well as adopted by Board policy.
- (c) The legal and regulatory framework for defined contribution plans generally and Section 457 plans specifically.
- (d) The best practices of similar organizations administering similar programs.
- (e) The ongoing administrative responsibilities of the Plan’s service providers and staff.
- (f) Principles of investment manager selection and performance review.

8.3 Core Elements of Education Program – The core elements of the Board’s education program include the following:

- (a) Fiduciary Training
- (b) Ethics Training
- (c) Legal/Regulatory Training
- (d) Best Practices Training
- (e) Plan Services & Administration
- (f) Investment Training

8.4 Schedule of Education Program – The education program will consist of two primary components: a new Board member orientation, and ongoing training schedule.

- (a) New Board member orientation – The new Board member orientation will provide a general introduction to the Plan to include a description of the Plan’s governance; Plan history; service provider relationships; demographics and statistics; operational responsibilities; and summary of pending issues.
- (b) Ongoing Training – Ongoing training will be offered in accordance with the following schedule:

TYPE	FREQUENCY	SOURCE
Fiduciary Training	Bi-Annual	Counsel
Ethics Training	Bi-Annual	Ethics Commission

Regulatory Training	Annual	Conference or Equivalent
Best Practices Training	Annual	Conference or Equivalent
Plan Administration Training	Tri-Annual	Staff Training or On-Site Provider Review
Investments Training	Bi-Annual	Conference or Equivalent

- (c) Training Schedule – Each calendar year staff will prepare a proposed training schedule for Board members and staff which will incorporate a budget adopted by the Board. The training schedule will identify how Board members and staff can satisfy objectives for ongoing training. Upon adoption by the Board, staff will implement the training schedule.

8.5 Training Sources

- (a) Fiduciary Training – Fiduciary training will generally be provided by the Office of the City Attorney with support from the Board’s consultant and third-party-administrator.
- (b) Ethics Training – Ethics training can be satisfied through trainings offered by the City Ethics Commission or Counsel.
- (c) Legal/Regulatory Training – Regulatory training can be satisfied through attendance at a conference such as the annual conference of the NAGDCA; or formal regulatory review sessions provided by the Board’s consultant or third-party-administrator, and/or staff.
- (d) Best Practices Training – Best practices training can be satisfied through attendance at a conference such as the annual conference of the NAGDCA; or formal best practices review sessions provided by the Board’s consultant or third-party-administrator, and/or staff.
- (e) Plan Services & Administration – Plan services and administration can be satisfied through training provided by staff or the Plan administrator or through on-site visits to the Plan administrator/recordkeeper.
- (f) Investment - Investments training can be satisfied through attendance at a conference such as the annual conference of the NAGDCA; or formal investment training sessions provided by the Board’s consultant or third-party-administrator, and/or staff.

8.6. Travel Policies – All travel is subject to City of Los Angeles rules and requirements regarding travel, including pre-travel approval and post-travel travel expense reimbursement. The following policies will govern all travel in support of training and education paid for by the Plan:

- (a) All travel must be approved in advance by the Board and is subject to approval by the Office of the Mayor.
- (b) All Board members and staff will comply with the travel guidelines set forth in Division 4, Chapter 5, Article 4 of the LAAC, and with the travel policies and guidelines set forth by the Office of the City Controller.
- (c) To be eligible to attend a conference and be reimbursed for their travel related expense, all Board members and staff attending a training conference are required to attend, and participate in, all regular days of the conference.

- (d) Each attendee is required to complete the City Controller's post-conference written evaluation detailing what information was obtained from the conference and how the information benefited the Plan. The evaluation form must be submitted with the request for reimbursement of expenses for that conference, and reimbursement will not be made without a completed evaluation form.

9 BOARD ELECTION POLICY

- 9.1. Purpose - To establish election procedures for the Board of Deferred Compensation members representing the active participant membership of the (a) Los Angeles City Employees Retirement System (hereafter "LACERS") (b) Police and Fire Pensions (hereafter "Pensions" and (c) Water and Power Employees Retirement Plan (hereafter "DWP Retirement Plan"); as well as the member representing participants who have retired or otherwise separated from City service.
- 9.2. Term of Office - The terms of all elected positions shall be for three years beginning on the first day in July of the year of their respective elections as determined under LAAC Division 4, Chapter 14.
- 9.3. Elections: General - All elections shall be by secret ballot and shall be conducted by the City Clerk. The City of Los Angeles Deferred Compensation Plan shall reimburse the City Clerk for all necessary expenses incurred in the administration of employee member elections. The regular election shall be held in May of any year in which the term of office for an employee member of the Board expires. Eligible voters shall be only those Plan participants who are members of the Plan as well as members of a constituent group for which an election is being held on that election day. To be a member of the Plan means that an employee maintains a balance in the Plan. To be a member of a constituent group means that one is either (a) an active employee member of LACERS, Pensions or the DWP Retirement Plan; or (b) a participant who has retired or otherwise separated from City service. The Personnel Department, in its administrative support capacity, shall provide to the City Clerk a primary roster, in alphabetical order, of eligible voters as of 30 days prior to an election. The roster shall contain the name, address, and last four digits of the social security number (Employee ID Numbers for DWP Employees) of each eligible voter.
- 9.4. Nomination of Candidates - Only members of the appropriate constituent group who have been nominated as provided in this article shall be eligible to have their names placed on the ballot. Nominating petitions shall be furnished by the Board. These petitions shall be in substantially the following form:

***NOMINATING PETITION FOR CANDIDATE FOR
THE BOARD OF DEFERRED COMPENSATION ADMINISTRATION***

We, the undersigned, hereby certify, each for himself/herself and not one for the other, that we are members of the City of Los Angeles Deferred Compensation Plan and (insert: "active employee members of the City Employees Retirement System" or "active employee members of the Fire/Police Pensions" or "active employee members of the DWP Retirement Plan" or "have retired or otherwise separated from service with the City of Los Angeles", and collectively we hereby nominate _____ (insert name as it will appear on the ballot), a member

of the Plan, for the office of _____ for the term beginning _____, and ending _____.

If this is a special election to fill an unexpired term, the petition shall be modified at the end to read instead: "...for the remainder of the unexpired term ending _____."

Beneath the foregoing, and in columnar form, space shall be provided for the signature of each nominator, the department in which each nominator is employed or the designation "Separated from City Service," as applicable, and the date on which the petition is signed by the nominator. Each person signing a petition shall write his/her name, department (if applicable) and the date of signing. Space shall be provided on each petition for one hundred signatures and two, and only two, petitions shall be available for each candidate at the office of the Plan each year in which the term of office of an employee member of the Board expires.

In order to qualify for a place on the election ballot, the petitions shall be signed by no fewer than 100 nor more than 200 individuals who are members of the Plan and respective constituent group. In order for Separated from City Service candidates to qualify for a place on the election ballot, the petitions shall be signed by no fewer than 10 nor more than 20 individuals who are members of the Plan and respective constituent group. The petitions shall be filed in the office of the Plan no later than 5 p.m. on a date to be established by the Plan that is within two weeks of the date that petitions are first made available to candidates. The City Clerk shall verify that those persons signing the petitions were members as of the date of signing, and shall certify the sufficiency or insufficiency of each petition, and shall so notify the nominated members by registered mail.

Along with the submission of the signed petitions, interested candidates have the option to include an occupational ballot designation and a 250-word typewritten statement of qualifications for office for the provision of information to the electorate. The occupational ballot designation shall be printed on the ballot immediately under that candidate's name and shall consist of a three-word designation of either (a) the current principal profession, vocation or occupation of the candidate, or (b) the principal profession, vocation or occupation of the candidate during the calendar year immediately preceding the filing of the candidate's nominating petition. The standards for occupational ballot designations contained in the City's Election Code are to be applied by the City Clerk as applicable, except that a candidate who is running for an elective office, which that person currently holds, shall have "(Incumbent)" printed on the ballot, immediately after that person's name, in addition to the candidate's occupational ballot designation. The statement of qualifications for office may include information on education, work experience, years of service, and other relevant qualifications and shall not exceed 250 words in length. Qualification statements that are submitted by the due date will be printed by the City Clerk and mailed with the ballot at no expense to the candidate. The Board shall provide a disclaimer stating that neither the Board nor the City Clerk has verified the accuracy of the information contained in the candidates' qualification statements. Should any candidate fail to submit an occupational ballot designation or a

statement of qualifications by the specified due date, the appropriate sections for the occupational ballot designation and qualification statement will be blank.

Prior to the election, the City Clerk shall conduct a public drawing of the letters of the alphabet. The order in which the letters are drawn shall constitute the random alphabetical order by which the surnames of the candidates shall be arranged on the ballot. The term "surname" shall mean the name borne in common by members of a family for this purpose. Each ballot shall contain the names of all candidates who have qualified in accordance with this section. There shall be a blank space beneath these names in which the voter may write the name of any employee member of the Plan not printed on the ballot and for whom the voter may wish to vote.

- 9.5. Notice of Election - Not more than 90 nor fewer than 60 calendar days prior to the regular election, the Plan shall notify the City Clerk and the General Manager of the Personnel Department of the fact of the election. Not more than 30 nor fewer than 20 calendar days prior to the regular election, the Plan shall have prepared a Notice of Election specifying the election date, a sample ballot containing the name of each candidate who has qualified for a place on the election ballot, rules concerning eligibility to vote, and any additional information and instructions the City Clerk determines are appropriate. A copy of the notice and sample ballot shall be posted in the Office of the City Clerk.
- 9.6. Observers - Candidates whose names appear on the election ballot may each designate no more than two observers at the tally center to observe that ballots are properly cast and votes are properly counted. In addition to these designated observers, candidates may also observe. Names of all observers, including any candidates who desire to attend, shall be presented to the City Clerk no less than three calendar days prior to the election. Designated observers shall wear identification badges at all times and shall be subject to regulations the City Clerk shall prescribe.
- 9.7. Voting Procedures - The City Clerk shall mail a ballot packet for the election to each eligible voter listed on the roster supplied by the Plan. The mailing shall be completed no less than ten calendar days prior to the date of election. Employees who become members of the Plan within 30 calendar days prior to an election and who wish to vote in that election shall present themselves in the office of the City Clerk no earlier than seven calendar days prior to and no later than 5:00 p.m. of the day of the election with a certificate from the Personnel Department on a form approved by the City Clerk verifying the fact of their eligibility to vote. The City Clerk shall allow these members to vote.

Each ballot packet mailed or provided to voters shall consist of the following items:

1. A mailing envelope;
2. A return envelope;
3. The official ballot;
4. An identification envelope for the official ballot with space for the voter to affix the voter's name, mailing address, last four digits of the social security number, signature, and date of signing;

5. A list of instructions to the voter; and
6. The candidates' statements of qualifications, if any.

Upon voting the ballot, the voter shall enclose the ballot in the identification envelope. The voter shall then affix the voter's name, mailing address, last four digits of the voter's social security number (Employee ID Numbers for DWP Employees), signature and date of signing on the identification envelope containing the ballot and shall enclose it in the return envelope. The voter shall return the voted ballot to the City Clerk by United States mail or personal deposit. During regular business hours in the seven calendar days preceding the election, but no later than 5:00 p.m. on election day, voters may personally deposit the return envelope containing their ballot in the ballot box in the Office of the City Clerk, Election Division. All ballots shall, in order to be counted, be received by the City Clerk no later than 5:00 p.m. on the date of the election.

Upon receipt of the identification envelope and its contents, the City Clerk shall date stamp the envelope, verify the name and last four digits of the social security number appearing on the envelope with the roster of eligible voters and shall cause the roster to be marked showing that the member has voted. No identification envelope shall be opened prior to the commencement of the tally.

If a voter inadvertently spoils a ballot, the voter may return the spoiled ballot to the City Clerk, who shall furnish the voter with a replacement ballot. No more than two replacement ballots may be issued to the same voter. Spoiled ballots will be clearly marked "**SPOILED**" by the City Clerk.

If a voter on the roster claims not to have received a ballot, the voter may receive a replacement ballot from the City Clerk upon filing a signed affidavit claiming non-receipt. The identification envelope of the replacement ballot shall be prominently marked "**REPLACEMENT BALLOT**" and the original ballot issued to the voter shall be challenged, if received.

9.8. Challenges - The City Clerk may challenge a returned identification envelope on the following grounds:

1. The identification envelope is not properly completed according to the instructions and does not accurately identify the voter;
2. The voter did not include the correct last four digits of the social security number (Employee ID Number for DWP Employees);
3. The voter did not properly sign the identification envelope;
4. The voter's name does not appear on the roster;
5. The identification envelope was received after the last date and time provided pursuant with these policies;
6. The voter has lost status as a member of the appropriate constituent group within 30 days prior to the election based;
7. The voter has already turned in an identification envelope.

An authorized observer or the City Clerk, prior to the time that the identification envelope is opened, may challenge the eligibility of any person to vote in the election. Challenges by observers may be made only on the following grounds:

1. The identification envelope was not signed by the person whose name appears on the roster; or
2. The person's status as an eligible voter has changed since the person was certified.

Each identification envelope that is challenged shall have written on the envelope the word "**Challenge,**" the reason for the challenge, and the signature of the person imposing the challenge.

The City Clerk shall, with substantiating evidence, sustain or overrule each challenge. Without substantiating evidence being produced within three business days of the election, the challenge shall be overruled and the ballot shall be tallied with the other ballots. Identification envelopes whose challenges have been sustained shall be retained unopened by the City Clerk for a minimum of 90 calendar days after the election results are certified.

- 9.9. Ballot Tally - The City Clerk shall count ballots in accordance with procedures used by the City Clerk to count ballots for other similar elections. Only the City Clerk may handle ballots. All ballots counted and uncounted shall be kept in view of the observers at all times during the tally and until the Ballot Statement is finally signed.

The identification envelope containing the sealed ballot envelope shall not be opened until the tally is commenced in order to preserve the secrecy of the ballot. At the commencement of the tally, the City Clerk shall audibly announce the name of each voter and shall then open the identification envelope, removing the official ballot. After all identification envelopes have been opened and set aside from the tally area, the City Clerk shall then proceed to count and tally the ballots cast for each choice, laying the ballots face up so that observers may inspect the marks. The count shall continue in this manner until all the ballots are opened and counted. When all ballots have been counted, the total number of votes cast for each candidate shall be entered on the unofficial Tally Results.

If a ballot is torn, defaced, marked in an ambiguous fashion, or is otherwise defective, the City Clerk shall determine whether the intent of the voter can be reasonably determined and, if so, determine it. If intent cannot be reasonably determined or if the ballot directly or indirectly identifies the voter, the ballot shall be declared void by the City Clerk and shall be preserved for a period of 90 calendar days.

After preparing the official Tally Results, the City Clerk shall place under seal all ballots, identification envelopes, and tally sheets, and shall retain them in a sealed condition for no less than 90 calendar days.

- 9.10. Regular Election Results - The candidate who receives a plurality of all votes cast shall be elected to the position. In the event that two or more candidates receive an equal number of votes cast, then the candidates receiving an equal number of votes shall appear before the City Clerk at the time and

place designated by the Clerk and draw lots to determine which person shall be declared elected. The City Clerk shall determine the manner in which the lots shall be drawn and, in the event that any candidates involved do not appear, the City Clerk shall act for the absent person or persons in the drawing of the lot.

- 9.11. . Special Election - In the event that an elected member of the Board has submitted a letter of resignation or the member's office becomes vacant by virtue of death, retirement, termination of employment, or for any other reason, the City Clerk shall conduct a special election to fill the unexpired term. However, no special election shall be held where there is less than twelve months remaining before expiration of the term.

The Board shall designate the date of the election. The election shall be held not more than 90 calendar days after the submission of the letter of resignation or the receipt of notification of the vacancy. Candidates to be voted on at any special election shall be nominated in the same manner provided above, but the nominating petition shall provide that the nomination is made for the balance of the unexpired term and specify the ending date of that term. Nominating petitions shall be available at the office of the Plan seven weeks before the date fixed for the election. The special election to fill the unexpired term shall be conducted in the same manner as a regular election, except as otherwise provided in this section.

If any candidate in a special election receives a plurality of all votes cast, the candidate shall be declared by the Board to be elected to the position of employee member for the unexpired term. In the event that two or more candidates receive an equal number of votes, and no candidate receives more votes, then the candidates receiving an equal number of votes shall appear before the City Clerk at the time and place designated by the City Clerk in order to draw lots to determine which person shall be declared elected. The lots shall be drawn in the manner that the City Clerk shall determine. In the event that any candidate involved does not appear, the City Clerk shall act for the absent person in the drawing of the lot. The candidate who is selected by lot shall be declared by the Board to be elected to the position for the unexpired term.

- 9.12. Certification and Report of Results - The City Clerk shall within 14 calendar days after the date of election furnish to the Board the official certified results of the election.
- 9.13. Protests - Any interested person may challenge any proceeding, act or omission that may be material to the election, by written notice to the City Clerk not later than three business days after the count of the ballots. The City Clerk shall review the protests and submit a report of findings and recommendations to the Board with the official certified results.