

**CITY OF LOS ANGELES  
BOARD OF DEFERRED COMPENSATION ADMINISTRATION  
INVESTMENTS COMMITTEE (COMMITTEE)**

PROPOSED MINUTES  
MEETING OF JUNE 23, 2021 – 10:00 a.m.  
CONDUCTED VIA TELECONFERENCE

**COMMITTEE MEMBERS**

**Present:**

Raymond Ciranna, Chairperson  
Neil Guglielmo

**Not Present:**

Joshua Geller

**PERSONNEL DEPARTMENT STAFF**

Steven Montagna, Chief Personnel Analyst  
Jenny M. Yau, Senior Benefits Analyst II  
Mindy Lam, Benefits Analyst  
Eric Lan, Management Assistant

**OFFICE OF THE CITY ATTORNEY**

Charles Hong, Assistant City Attorney

**MERCER INVESTMENT CONSULTING**

Devon Muir, Principal

**1. CALL TO ORDER**

Mr. Ciranna called the meeting to order at 10:02 a.m.

**2. PUBLIC COMMENTS**

There were no public comments.

**3. INVESTMENTS COMMITTEE REPORT 21-02: PROPOSAL FOR REFINED SEARCH PROCESS  
FOR DEFERRED COMPENSATION PLAN (DCP) ACTIVELY MANAGED MANDATES**

**Presentation Highlights:**

Mr. Montagna noted that staff has had discussions with Mercer regarding the most efficient process for evaluating the remaining DCP mandates. Mr. Montagna stated that Mercer's presentation contains a proposal consistent with the procurement process to evaluate all written proposals as well as additional mutual funds that were not a part of the procurement process.

Mr. Muir presented the following from Attachment A of the report:

- Page 2 – Details on the Request for Proposal (RFP) response yield for each search including mandate size, the number of RFP responses, the number of mutual funds meeting the screening requirements, and the current search process status.
- Pages 3 to 5 – Mr. Muir provided an overview of the proposed process for conducting the evaluation of the actively managed mandates:
  - Stage 1 of the evaluation process will involve a high-level review of all the candidates including RFP respondents and mutual funds, filtering only the strategies that do not meet the dimensions outlined in the RFP.
  - Stage 2 of the evaluation process will involve an in-depth analysis similar to the reports Mercer provided for the Stable Value and Index Fund providers.
- Page 6 – Proposed timeline of the review process for the remaining actively managed mandates.

Committee Questions/Comments:

Mr. Guglielmo noted agreement with the proposed evaluation process and inquired if there would be a ranking of the vendors in Stage 1. Mr. Muir indicated that the evaluation process would include a gradual narrowing down of vendors, and the Committee would be able to identify all of the vendors at each stage of the narrowing down process. Mr. Ciranna asked if the Committee would review vendors after Stage 1 and then again after Stage 2. Mr. Muir stated that a sample review process showing the narrowing down of vendors is provided beginning on Page 8 of Attachment A. Mr. Muir further stated that Page 14 illustrates an example of a heat map that would help rank the vendors in Stage 1. Mr. Montagna noted that the evaluation process allows the Committee to revisit any vendor from either stage. Mr. Ciranna expressed appreciation for the flow chart and asked if there are reasons why certain firms would be cut from each level of the evaluation process. Mr. Muir replied that funds would be removed based on those funds not meeting certain key criteria applying to the evaluation categories as contained in the RFP and all of the firms undergoing each stage of the evaluation process would be available for the Committee to review, if needed.

Mr. Ciranna asked if there was any flexibility in the proposed timeline to complete evaluation of the active manager mandates. Mr. Montagna indicated that the current incumbents are all mutual funds that do not require contracts and that the Committee can take additional time, if needed. Mr. Ciranna also asked if there would be a way to speed up the timeline. Mr. Muir stated that Mercer would defer to the Committee's capacity to meet more frequently and could speed up the timeline, if desired. Mr. Ciranna noted that the Committee will evaluate how the first review proceeds and then determine if additional adjustments to the timeline are needed.

Mr. Ciranna inquired if the five-year numbers on Page 15 of Attachment A would also be expanded to include a ten-year overview. Mr. Muir stated that the Stage 2 review of the evaluation process will include a performance exhibit displaying information over a ten-year time period.

Committee Action:

**A motion was made by Mr. Guglielmo, and seconded by Mr. Ciranna, that the Investments Committee approve the proposal from staff and investment consultant for executing the analytical process for the actively managed mandates for the DCP; the motion was unanimously adopted.**

**4. REQUEST FOR FUTURE AGENDA ITEMS**

There were no requests for future agenda items.

**5. ADJOURNMENT**

The meeting adjourned at 10:38 a.m.

*Minutes prepared by staff member Eric Lan.*