

# **CITY OF LOS ANGELES DEFERRED COMPENSATION PLAN TRAINING/EDUCATION/TRAVEL POLICIES BOARD MEMBERS AND STAFF**

*Adopted: July 17, 2012*

## **I. DUTY AND RESPONSIBILITY**

The Board recognizes that education and training support the proper fulfillment of Board/staff member roles and responsibilities, and that certain expenditures are required in relation to that and in order to exercise due diligence over Plan operations. The Board further recognizes that all such expenses for training, education and travel are paid from participant fees and therefore all expenditures for these purposes must be appropriate and relevant, paid in accordance with City rules, policies and procedures, and the use of funds judicious, such that the expenditure will result in a demonstrable benefit to Plan participants.

## **II. OBJECTIVE**

The objective of the Board's training and education policy is to promote awareness of the following subject areas involved in administering the Plan, and diligence in providing oversight of Plan operations:

- (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 operations, processes and practices involving the Plan's service providers and staff.
- (f) Principles of investment manager selection and performance review.

## **III. TRAINING & EDUCATION PROGRAM**

### **A. Topics/Resources/Applicability**

Following is a summary of primary training/education topics; potential training resources; and their customary applicability to Board members and staff.

<b>Educational Category</b>	<b>Topic</b>	<b>Potential Training Sources</b>	<b>Board Member Training</b>	<b>Staff Training</b>
Orientation	Overview of Plan history, statistics, governance, demographics, fees, and administration.	Personnel Department Staff; third-party-administrator	x	
Fiduciary Responsibilities	Review of fiduciary responsibilities of administering the Plan	External fiduciary training specialists; consultant; Board counsel; third-party-administrator	x	x
Ethics Responsibilities	Review of State and City ethics laws as they relate to contracting, conflict-of-interest, and other topics	Bi-annual State/City training	x	x
Legal/Regulatory	Review of Federal laws and regulations related to administration of a Section 457 plan	Conferences; consultant; third-party-administrator	x	x
Best Practices	Review of best practices of other defined contribution plan administrators	Peer networks; conferences; consultant; third-party-administrator	x	x
Plan Services & Administration	Monitoring of services/operations of Plan third-party-administrator	Site visits for staff; operations training for Board members	x	x
Investments	Review of principles of investing, investment monitoring, and investment menu design relevant to defined contribution plan administration	Consultant; conferences; external training specialists	x	x

#### **B. Internal/In-Meeting Education Resources**

The Board may utilize in-house resources periodically at regular Board meetings or organized as stand-alone sessions, available from the following:

- (a) *Personnel Department Staff* – Personnel Department staff may provide expert resources regarding the City’s internal administrative operation of the program, as well as the institutional history of development of rules, policies and procedures.
- (b) *City Attorney Staff* – City Attorney staff may provide expert resources regarding fiduciary, ethics, and legal/regulatory matters.
- (c) *Plan Administrator* – The City’s Plan Administrator may provide expert resources regarding fiduciary law, legal/regulatory matters, best practices of other plans and plan services and administration.
- (d) *Consultant* – The Board’s consultant may provide expert resources regarding fiduciary law, legal/regulatory matters, best practices of other plans, and investment-related issues.

- (e) *Subject Matter Experts* – Subject matter experts may provide expert resources regarding fiduciary law, legal/regulatory matters, best practices of other plans, and investment-related issues.

#### C. External/Non-Local Education Resources

- (a) *Conferences* – External conference events may provide expert resources regarding fiduciary law, legal/regulatory matters, best practices of other plans, and investment-related issues.
- (b) *Business Meetings* – External business meetings of professionals in the field of defined contribution administration may provide expert resources regarding fiduciary law, legal/regulatory matters, best practices of other plans, and investment-related issues.

#### D. Annual Education Program

In July of each year staff will prepare for Board adoption a proposed education program for the fiscal year which begins one year following. Once adopted, Personnel Department staff, on behalf of the Board, will include any travel requests related to the annual education program in the Personnel Department's proposed budget.

In instances where Board members or staff identify seminars, conferences, or meetings involving travel which has not been previously included and adopted in the Personnel Department's budget, Personnel Department staff will facilitate the necessary request for approval.

The education program will include the names of eligible external conferences and training events that Board and staff members may attend. The program will include a maximum number of training slots (including all Board members and the professional staff who support the Plan) for the fiscal year. Because there are limited resources and a limited number of training slots, these slots will be offered to Board members and staff on a sequential basis, such that any Board member or staff who declines or is unable to participate in one training opportunity will be provided first opportunity to participate in a subsequent training opportunity.

### **IV. TRAINING, EDUCATION AND/OR TRAVEL EXPENDITURE AUTHORIZATION AND REIMBURSEMENT**

The following policies will govern all travel in support of training and training and education expenditures paid for by the Plan:

- (a) All training, education, and travel in support of training expenditures must be pre-approved by the Board and Council and Mayor as applicable.
- (b) Notwithstanding subsection (a) the Board Chairperson shall have authority, with the concurrence of the General Manager Personnel Department, to authorize training, education, and/or travel in support of training expenditures of up to \$2,500 per person per event in those instances where an opportunity

- for immediate training is identified and there is insufficient time to bring the training request to the full Board without either (a) losing the training opportunity or (b) creating the likelihood for significantly higher travel expenses due to the proximity of the training event to the next available Board meeting. In no event shall the costs of a training authorized pursuant to this subsection exceed the average per-person conference expense provided for in the Annual Education Program. Staff shall provide a report on expenditures authorized under this provision to the full Board at the next regular Deferred Compensation Board meeting or as soon as feasible.
- (c) All Board members and staff will comply with the travel guidelines set forth in Division 4, Chapter 5, Article 4 of the Los Angeles Administrative Code, and with the travel policies and guidelines set forth by the Office of the City Controller (attached).
  - (d) To be eligible to attend and be reimbursed for an external conference or training event, all Board members and staff attending are expected to attend all regular days of the event.
  - (e) Reimbursement of training and travel expenses will not be made absent the attendee submitting all necessary documents completed to the satisfaction of Controller guidelines and within the deadlines established by the Controller, including but not limited to travel expense worksheets, required receipts, and conference evaluations.