

Deferred Compensation Plan

BOARD REPORT 16-15

Date: March 7, 2016

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
Raymond Ciranna, Second Provisional Chair
Wendy G. Macy, Third Provisional Chair
Linda P. Le
Thomas Moutes
Robert Schoonover
Don Thomas*

Recommendation:

That the Board of Deferred Compensation Administration receive and file staff's update on Plan projects and activities during February 2016.

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:

Communications

- *1Q Newsletter & Statements:* Staff is coordinating the initial newsletter draft for the 1Q 2016 newsletter. Staff will be providing results from the participant survey the Plan recently conducted.
- *Annual Review – Plan Highlights:* Staff completed the annual review of the Plan Highlights.
- *Website Updates:* Staff completed several routine updates to the Board site and the participant site, most notably to reflect changes in staffing.
- *Retirement Calculator:* Staff is reviewing the work required to update the Retirement Calculator to incorporate LACERS Tier 2 and Tier 3 changes.

Operations

- *Participant Services:* Staff continues to assist participants with questions and issues related to loan defaults, minimum required distributions, special catch-up enrollment, and contribution scheduling issues related to participants wishing to maximize their contributions in 2016.

Administration

- *Third-Party Administrator Request for Proposals (TPA RFP):*
 - Staff conducted the Pre-Proposal Conference on February 17, 2016. A total of seven firms were present or joined the meeting by conference call.
 - The window for submissions for preliminary requirements review closed on Friday, February 26, 2016. A total of three requests were received. Firms submitted preliminary forms to determine whether or not they will meet the City's general contracting requirements. This opportunity provides participating firms with a chance to ensure their response will not be considered non-compliant after the proposal deadline passes.
 - The Business Inclusion Program (BIP) subcontractor outreach requirement deadline is March 9, 2016 at 11:59 p.m. Staff will provide an update at the Board meeting as to how many firms met this requirement. This requirement cannot be missed by any firm wishing to submit a proposal for this RFP.
- *Staffing:* The Benefits Specialist position recently became vacant; staff is in the process of filling the position. A new Management Assistant will also be joining the Plan's staff as of the beginning of April, replacing the position recently held by Paul Makowski.

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%	<i>Vacant</i>
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

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. OTHER ITEMS

Ethics Filing – Due April 1st

The Annual Statement of Economic Interests (SEI) is due to the City Ethics Office by **April 1, 2016**. All Board members should have received an e-mail notification from the Ethics Office notifying them of the required paperwork (Form 700 and Form 60) and applicable deadlines. Should you have any questions or require assistance, please contact Plan staff.

Submitted by: _____
Esther Chang

Reviewed by: _____
Alexandra Castillo

Approved by: _____
Steven Montagna

DEFERED COMPENSATION						
	Legend:					
	G = Governance					
	C = Communications					
	O = Operations					
	A = Administration					
COMPLETED PROJECTS: FEBRUARY 2016						
#	STATUS		PROJECT	DUE DATE	COMPLETED?	NOTES
1	Completed	G	Minutes - Jan 2016 Meeting	02/28/16	Y	
2	Completed	G	Board Report - Staff Projects & Activities	02/28/16	Y	For Jan
3	Completed	G	Board Report - Strategic Priorities 2016	02/28/16	Y	
4	Completed	G	Board Report - 2016 Plan Budget & Quarterly Reimbursement Corrections	02/28/16	Y	
5	Completed	G	Board Report - Travel Policy Recommendation	02/28/16	Y	
6	Completed	G	Board Report - Contracts Update	02/28/16	Y	
7	Completed	A	Auto-Enrollment Letter to Controller's Office	02/28/16	Y	
8	Completed	A	DCP TPA RFP - Development and Review of Questionnaire	02/28/16	Y	
9	Completed	A	DCP TPA RFP - Finalize & Post RFP	02/28/16	Y	Posted 2/5/2016
10	Completed	A	DCP TPA RFP - Pre-Proposal Conference & Questions	02/28/16	Y	Pre-Proposal Conference held 2/17/2016
11	Completed	A	Staffing: Benefits Specialist - Preparation & Selection Process	02/28/16	Y	
12	Completed	A	Consulting Services - Finalize Mercer Contract	02/28/16	Y	Contract attested 2/25/2016
13	Completed	A	Plan Enrollment Reporting for Department Metrics (HR Stat)	02/28/16	Y	
14	Completed	C	Review of IOAG ending Jan 30, 2016	02/28/16	Y	
15	Completed	C	Plan Website Update	02/28/16	Y	
16	Completed	O	Plan Payroll & Transaction Processing	02/28/16	Y	
17	Completed	O	Participant & Payroll Issues Resolution	02/28/16	Y	
PENDING PROJECTS						
MARCH 2016						
1	PENDING	G	Board Report - Minutes	03/31/16		For February

2	PENDING	G	Board Report - Staff Report	03/31/16		For February
3	PENDING	G	Board Report - Participation & Communications	03/31/16		Pending
4	PENDING	G	Board Report - FDIC Provider Recommendation	03/31/16		Pending
5	PENDING	A	2015 Annual Report	03/31/16		Pending
6	PENDING	A	DCP TPA RFP - Preliminary Requirements Review	03/31/16		Due to vendors 3/4/16
7	PENDING	A	PSP TPA RFP - Development & Posting	03/31/16		Pending
8	PENDING	A	Stable Value - Finalize Galliard Contract	03/31/16		Pending
9	PENDING	A	Consulting Services - Finalize Segal Contract	03/31/16		Complete; awaiting Mayor/CAO approval to execute
10	PENDING	C	Plan Highlights	03/31/16		2016 Annual Update
11	PENDING	C	Newsletter 1Q 2016 - Development of Articles	03/31/16		Pending
12	PENDING	C	Fee Disclosure Flyer	03/31/16		Pending
13	PENDING	C	Draft communications re marketing by Non-Contracted Financial & Benefit Services Providers	03/31/16		Pending
14	PENDING	O	2015 Contributions Review	03/31/16		Pending
15	PENDING	O	2015 Catch-Up Code Removal and Review	03/31/16		Pending
16	PENDING	O	Catch Up Unused Bucket - To fix amounts reset at 2015 end.	03/31/16		Pending. SOS Ticket #767404
17	PENDING	O	Plan Payroll & Transaction Processing	03/31/16		Ongoing
18	PENDING	O	Participant & Payroll Issues Resolution	03/31/16		Ongoing
19	PENDING	O	Loan Default Reversal - Hold Harmless	03/31/16		Pending
APRIL 2016						
20	PENDING	G	Board Report - Minutes	04/30/16		For March
21	PENDING	G	Board Report - Staff Report	04/30/16		For March
22	PENDING	G	Board Report - TPA RFP Update	04/30/16		Pending
23	PENDING	A	Governance Documents Review	04/30/16		Plan Document, Bylaws, Travel Policy - review of Board's authority, etc.
24	PENDING	C	Accrued Leave - Flier and Form Revisions	04/30/16		Pending

25	PENDING	C	Catch Up - Form revisions	04/30/16		Pending
26	PENDING	C	Distribution Options Guide - Tax and Loan revisions	04/30/16		Pending
27	PENDING	O	Plan Payroll & Transaction Processing	04/30/16		Ongoing
28	PENDING	O	Participant & Payroll Issues Resolution	04/30/16		Ongoing
MAY 2016						
29	PENDING	G	Board Report - DCP Annual Report - 2015	05/31/16		
30	PENDING	G	2016-17 Training Program Preferences	05/31/16		
31	PENDING	G	Board Report - Travel Policy	05/31/16		
32	PENDING	G	Board Report - Plan Governance Documents Review Schedule	05/31/16		Pending
33	PENDING	G	Board Report - Investment Issues Review Schedule	05/31/16		Pending
34	PENDING	G	Board Report - Beneficiary Campaign Summary	05/31/16		Pending
35	PENDING	C	Calulator Revisions	05/31/16		Remove Tier 2, add Tier 3 for LACERS
36	PENDING	O	Plan Payroll & Transaction Processing	05/31/16		Ongoing
37	PENDING	O	Participant & Payroll Issues Resolution	05/31/16		Ongoing
UPCOMING						
38	PENDING	G	Board Report - Distributions & Contributions - Retirees who return to work	TBD		Pending
39	PENDING	G	Report back recapping presentation on Financial Wellness from Strategic Planning Meeting	TBD		Pending
40	PENDING	G	Letter to City Council re 10% Early Distribution Penalty	TBD		Pending
41	PENDING	G	Board Report - Proxy Share Voting	TBD		To add to Gov Review
42	PENDING	G	PSP Program Review - Proposal for Terminated Accounts	TBD		Pending
43	PENDING	G	Loan Policy Document	TBD		Pending
44	PENDING	G	Board Report - Historical Contribution History	TBD		Pending
45	PENDING	G	Board Report - SAS Form	TBD		Pending
46	PENDING	G	Review of CA Governmental Plan - Demographic Files	TBD		Pending
47	PENDING	G	Board Report - Contractor Evaluation Policy	TBD		Pending
48	PENDING	G	Board Report - Retirement/Pension System Retired Loan Payments	TBD		Pending

49	PENDING	G	Investments Committee Meeting: Investment Policy Review - Termination	TBD		Pending
50	PENDING	G	Research adding other Plan type in order to increase savings opportunities (from 8/21/12 BDCA meeting)	TBD		Pending
51	PENDING	G	Deemed IRA	TBD		Pending
52	PENDING	G	Auto-Glide Investment Allocations	TBD		Pending
53	PENDING	G	Board Report - Transition Manager Procurement	TBD		Pending
54	PENDING	G	Revisit Plan Audit	TBD		Pending
55	PENDING	G	Board Report - Plan Staffing	TBD		Pending
56	PENDING	G	Board Report - 2014 PSP Annual Report	TBD		Pending
57	PENDING	C	Research - Video Content Development & Social Media Capabilities	TBD		Pending
58	PENDING	C	Website Tutorial/Education Videos	TBD		Pending
59	PENDING	C	Revise Pension Savings Plan Highlights	TBD		Pending
60	PENDING	C	Letter Notification to Participants RE: Catch-Up Eligibility ("Attained Age Letters")	TBD		Pending
61	PENDING	C	EZ Enrollment Form	TBD		Pending
62	PENDING	C	2-Page IOAG format	TBD		Pending
63	PENDING	C	Enrollment Guide Revision	TBD		Pending
64	PENDING	C	Active-Retiree Loan Transfer Guide/Packet	TBD		Pending
65	PENDING	C	New Brand Style Guide	TBD		Pending
66	PENDING	C	Create Catch-Up Flyer Incorporating Roth & Revise Catch up Form/Flyer re Accrued Leave	TBD		Pending
67		C	DROP Options Guide update-revisions	TBD		Pending
68	PENDING	C	Enrollment Form Revision Phase 2 (Auto escalation & PSP Rollover addition)	TBD		Pending
69	PENDING	C	DROP participant fee comparison graphic flier	TBD		Pending
70	PENDING	C	Roth 457 Intro Guide Revise/Redesign	TBD		Pending
71	PENDING	C	DCP Glossary	TBD		Pending

72	PENDING	C	Communications Plan: List of alternative DC publications and outlets (LACERS, Pensions, Union pubs, etc.)	TBD		Pending
73	PENDING	A	Budget procedural revisions	TBD		Pending
74		O	Catch Up Contribution changes allowed online	TBD		Pending
75	PENDING	O	PSP Account Consolidation	TBD		Pending
76	PENDING	O	Domestic Partners Research and Review with City Attorney and California Peers	TBD		Pending
77	PENDING	O	Online Enrollment Functionality	TBD		Pending
78	PENDING	O	Pre-Audit Testing - Phase II	TBD		Pending
79	PENDING	O	PST Retroactive Adjustments - Meeting w/ LACERS & Controller	TBD		Pending
80	PENDING	O	DCP Work processes Review & Documentation	Ongoing		Pending

BDCA UPCOMING AGENDA TOPICS

	Administrative Issues	Presentations/Training
April	TPA RFP – Response Update Plan Participation Review/Recommendations	Fund Manager Presentation (Voya/Ridgeworth/Hartford)
May	DCP Annual Report - 2015	Quarterly Investment & Economic Review (1Q 2016)
	2016-17 Conference Training Preferences	Fund Manager Presentation (Vanguard)
June	TPA RFP - Board Selection	TPA/Plan Statistics Review (1Q 2016)
	Travel Policy	
	National Retirement Security Campaign 2016	
July	Committee Issues & Schedule	
August	DCP Proposed Metrics	Quarterly Investment & Economic Review (2Q 2016)
		Fund Manager Presentation (Galliard)
September	FY 2017-18 DCP Travel Program Budget	TPA/Plan Statistics Review (2Q 2016)
October	2016 NAGDCA Conference Update	
November		Quarterly Investment & Economic Review (3Q 2016)
		Fund Manager Presentation (FDIC Banks)
December	NRSW Campaign Follow Up	TPA/Plan Statistics Review (3Q 2016)