

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

PROPOSED MINUTES  
MEETING OF JULY 20, 2021  
CONDUCTED VIA TELECONFERENCE

**BOARD MEMBERS**

**Present:**

Thomas Moutes, Chairperson  
Raymond Ciranna, Vice-Chairperson  
Robert Schoonover, First Provisional Chair  
Joshua Geller, Third Provisional Chair  
Wendy G. Macy  
Baldemar J. Sandoval

**Not Present:**

Neil Guglielmo, Second Provisional Chair  
Linda P. Le

**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, Deputy City Attorney

**1. CALL TO ORDER**

Mr. Moutes called the meeting to order at 9:02 a.m.

**2. PUBLIC COMMENTS**

There were no public comments.

**3. MINUTES**

**Board Action:**

**A motion was made by Mr. Ciranna, and seconded by Mr. Schoonover, to approve minutes of the June 15, 2021 regular meeting; the motion was adopted by approval of five Board members (Ciranna, Geller, Moutes, Sandoval, Schoonover); one Board member was not present at the time the motion was made and did not vote on it (Macy).**

**4. BOARD REPORT 21-36: DC PLAN MANAGER RECRUITMENT/SELECTION AND DCP STAFFING**

**Presentation Highlights:**

Mr. Montagna presented this report and provided the following highlights:

- The Ad Hoc DC Plan Manager Committee (Committee) previously met to review the recruitment materials included in the report.
- Attachment C to the report is a proposed timeline for filling the DC Plan Manager position.
  - The current Chief is anticipated to retire in April 2022.
  - The timeline works backwards from that anticipated retirement date accounting for an overlap between the outgoing Chief and the incoming DC Plan Manager, including buffer time to accommodate relocation time, if needed.
  - The Committee recommends the Board set a deadline to determine civil service exemption for the position.
- Attachment B to the report is a proposed organizational chart for the DCP which includes the new DC Plan Manager dedicated 100% to the plan.
  - The Committee also discussed and recommends to the Board elevating the Senior Analyst I to a Senior Analyst II position to provide the appropriate level of executive management to step into the DC Plan Manager/Executive Director role, if needed.

Board Member Comments/Questions & Responses:

Mr. Geller indicated he appreciated the new cover photos for the recruitment documents.

Mr. Moutes supported setting a deadline for the civil service exemption. Mr. Ciranna asked how quickly the exam could be completed, if needed. Mr. Montagna replied that the Personnel Department, Selection Division indicated that it could take several months to develop their findings as to the appropriate type of exam for the job classification and then they would subsequently need to develop and administer the exam.

Mr. Ciranna asked if Mr. Montagna will discuss upgrading the Senior Analyst II position with the Personnel Department. Mr. Montagna replied that he will follow-up with Personnel and CAO on the process for upgrading the position. Mr. Ciranna asked if the DC Plan Manager position will be regularized in the budget. Mr. Moutes supported regularizing the position and asked if the Board needs to make any action on this matter. Mr. Montagna replied that staff will prepare a broader budget report at the next meeting for the Board's approval.

Board Action:

**A motion was made by Mr. Geller, and seconded by Mr. Ciranna, that the Board (a) request that the Personnel Department initiate the examination development process if indication regarding the request for exempt status is not received from the Mayor's Office by July 23, 2021; and (b) request that the Personnel Department provide a response regarding the feasibility of and options for elevating the DCP's Senior Benefits Analyst I position to Senior Benefits Analyst II; the motion was adopted by approval of five Board members (Ciranna, Geller, Moutes, Sandoval, Schoonover); one Board member was not present at the time the motion was made and did not vote on it (Macy).**

## 5. BOARD REPORT 21-37: MEASUREMENT PERIOD FOR DEFERRED COMPENSATION PLAN PARTICIPANT GOALS

### Presentation Highlights:

Mr. Lan presented this report and provided the following highlights:

- The Board adopted DCP participant goals related to participation, contributions, distributions, and asset retention for fiscal year 2020-21 at its September 15, 2020 meeting.
- The adoption of these goals was based on a fiscal year rather than calendar year basis to align with the Personnel Department's internal reporting on key goals and metrics for its various divisions.
- The Board adopted a Memorandum of Understanding (MOU) between the Board and the Personnel Department at its December 15, 2020 meeting. The MOU allows the DCP to operate with a degree of autonomy from the Personnel Department.
- Staff reviewed and evaluated the measurement of DCP goals under the new MOU and recommends measuring participant goals on a calendar year rather than a fiscal year basis moving forward because it provides for the reporting of all DCP metrics on a calendar year basis to align with the DCP annual budget, DCP annual report, and DCP strategic initiatives.

### Board Member Comments/Questions & Responses:

Mr. Moutes inquired if Ms. Macy was supportive of this change from a Personnel Department perspective. Ms. Macy replied yes.

### Board Action:

**A motion was made by Mr. Sandoval, and seconded by Mr. Schoonover, that the Board approve the measurement of DCP participant goals on a calendar year basis starting with calendar year 2021 and moving forward annually; the motion was unanimously adopted.**

## 6. BOARD REPORT 21-38: FY 2021-22 TRAINING PROGRAM INTEREST

### Presentation Highlights:

Ms. Lam presented this report and provided the following highlights:

- The Board approved the FY 2021-22 Training Program covering the period from July 1, 2021 through June 30, 2022.
- The City's ban on non-essential travel was superseded by a new order providing for business travel for City employees to resume effective June 24, 2021, subject to travel being arranged and approved through the City's established procedures.
- Board members and staff may resume travel if they choose to do so.
- External training is not mandatory for Board members or staff and many organizations will continue to provide a virtual attendance option.
- A list of conferences and trainings is provided in Attachment A.
- The NAGDCA annual conference will be held virtually from September 13-16.

- Board members interested in any conferences and/or trainings should complete the notification form in Attachment B and return it to DCP staff.

Board Member Comments/Questions & Responses:

There were no comments or questions from the Board.

Board Action:

**A motion was made by Mr. Ciranna, and seconded by Mr. Geller, that the Board review information regarding Fiscal Year (FY) 2021-22 training events and educational programs and complete and submit the Training Interest Form (Attachment B) to DCP staff; the motion was unanimously adopted.**

**7. BOARD REPORT 21-39: 2021 BOARD OF DEFERRED COMPENSATION ADMINISTRATION ELECTION RESULTS – RETIRED AND SEPARATED FROM SERVICE PARTICIPANT REPRESENTATIVE SEAT**

Presentation Highlights:

Ms. Lam presented this report and provided the following highlights:

- The DCP concluded the recent election for the Retired and Separated from Service Participant Representative Board seat.
- Tom Moutes, incumbent, was declared the winner of the election with approximately 75% of the votes cast.
- The certified election results from the City Clerk are provided in Attachment A.
- There was a higher participation rate for candidates running for the Board seat compared to the 2018 election.

Board Member Comments/Questions & Responses:

Mr. Ciranna congratulated Mr. Moutes on winning the election.

Board Action:

**A motion was made by Mr. Ciranna, and seconded by Mr. Schoonover, that the Board receive and file the certified results of the 2021 Board election for the Retired and Separated from Service Participant Representative Board seat; the motion was unanimously adopted.**

**8. BOARD REPORT 21-40: DEFERRED COMPENSATION PLAN PROJECTS AND ACTIVITIES REPORT: JUNE 2021**

Presentation Highlights:

Ms. Yau presented this report and provided the following highlights:

- Self-Directed Brokerage Account Update – Voya is implementing a systems enhancement that would prevent loans and withdrawals if the balance in the Core funds falls below the minimum requirement of \$2,500.
  - Staff will work with Voya to a final audit of participants whose balance may have fallen below the minimum requirement before the system enhancement goes live.

- An annual audit will be required on an ongoing basis following the automated Required Minimum Distribution (RMD) processing in early December, because the system will not restrict RMDs that fall below the minimum balance in the Core funds due to IRS regulations.
- In-Person Board Meetings – Staff is researching and consulting with the City Attorney regarding returning to in-person Board meetings and will provide a full report at the Board’s next meeting.
- Targeted Participant Communications – Staff continues to conduct targeted outreach campaigns in lieu of in-person meetings. Staff conducted the following two campaigns:
  - November 2020 and March 2021 – Postcards and follow-up emails were sent to: 1) eligible but not enrolled employees with less than three years of City service; and 2) eligible but not enrolled employees with more than three years of City service in the five departments with the lowest participation rate. The conversion ratio for both campaigns was 8% and 3% respectively.
  - March 2021 – A “happy birthday” postcard was sent to participants turning age 50 informing them of their ability to contribute more to the DCP, resulting in a conversion ratio of 21% for increased contributions and a 7.5% conversion ratio for new enrollees.
- DCP Highlights Document – The DCP highlights document was updated to include In-Plan Roth Conversions and DCP provisions adopted by the Board such as Birth and/or Adoption Distributions and in-service distributions for participants who turn 59 ½. The new DCP Highlights is now available on the LA457.com website and staff will also advertise the new resource via social media and the DCP and Personnel Department quarterly newsletters.
- DCP Strategic Initiatives – Updates on the status of each strategic initiative are included in Attachment A.

Board Member Comments/Questions & Responses:

Mr. Moutes noted that the progress on targeted communications was encouraging considering the impact of the pandemic on limiting in-person activities and meetings.

**9. REQUESTS FOR FUTURE AGENDA ITEMS**

There were no requests for future agenda items.

**10. NEXT MEETING DATE**

A meeting was noted for August 17, 2021 at 9:00 a.m.

**11. ADJOURNMENT**

The meeting was adjourned at 9:32 a.m.

*Minutes prepared by staff member Eric Lan.*