

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

ADOPTED MINUTES
SPECIAL MEETING OF NOVEMBER 6, 2023
700 E. TEMPLE STREET, ROOM 350
LOS ANGELES, CA 90012

BOARD MEMBERS

Present:

Thomas Moutes, Chair
Robert Schoonover, First Provisional Chair
Joseph Salazar, Third Provisional Chair
Matthew Benham
Dana H. Brown

Not Present:

Neil Guglielmo, Vice Chair
Jeremy Wolfson, Second Provisional Chair
Linda P. Le
Carl Lurvey

PERSONNEL DEPARTMENT STAFF

Paula Dayes, Assistant General Manager
Esther Chang, Defined Contribution Plan Manager
Mindy Lam, Benefits Analyst
Eric Lan, Benefits Analyst

OFFICE OF THE CITY ATTORNEY

Charles Hong, Deputy City Attorney IV

VOYA FINANCIAL

Deirdre Jones, Vice President, Strategic Relationship Management
Charles Griffin, CISSP, IT Security Consultant, Voya Information Security

1. CALL TO ORDER

Mr. Moutes called the meeting to order at 10:01 a.m.

2. PUBLIC COMMENTS

There were no public comments.

3. MINUTES

Board Member Comments/Questions & Responses:

Mr. Benham noted an amendment to the Board motion described under item four, Board Report 23-32: 2024 DCP Resource Review and FY 2024-25 Proposed Budget Requests, indicating that the phrase "position authority" should be clarified to mean a budgeted position but not to be filled until further Board approval. Staff indicated that they will clarify the term and the minutes.

Board Action:

A motion was made by Mr. Benham and seconded by Ms. Brown, to amend and approve minutes of the September 19, 2023 regular Board meeting; the motion was unanimously adopted.

4. BOARD REPORT 23-35: CYBERSECURITY INFORMATION

Presentation Highlights:

Mr. Lan introduced the report and provided the following highlights:

- Cybersecurity is a key issue for the Board that has been discussed in prior meetings, and a point of emphasis for staff in communication campaigns.
- The Department of Labor's best practices are being incorporated into the DCP's cybersecurity practices.
- ITA provides department-specific cybersecurity officers who are able to help with internal incident response and review future vendors' cybersecurity policies during RFPs.
- Voya provided an IT security consultant to provide a presentation to the Board on its cybersecurity policies.

Ms. Jones and Mr. Griffin provided the following highlights:

- Security is bisected into two aspects: cybersecurity and fraud prevention.
 - Cybersecurity focuses on systems, equipment, and staffing
 - Fraud prevention focuses on dedicated resources for participants
- Voya adheres to governmental, international, actuarial, and accounting standards for cybersecurity.
- Voya's approach emphasizes people, processes, and technology by providing dedicated and certified professionals while implementing layers of defense such as multi-factor authentication, voice biometrics, and education.
- Voya's supervised machine learning system allows for an evaluation of participant habits and behaviors to identify risk that leads to a review by a team of people to determine if fraud has occurred.
 - Most often, it is not a cyber crime but a familial crime.
- Voya provides the Secure Account for Everyone (S.A.F.E.) guarantee that states that any assets taken from a participant's account due to unauthorized activity will be restored to the account.

Board Member Comments/Questions & Responses:

Ms. Brown asked whether familial crimes are also covered under Voya's S.A.F.E. guarantee. Mr. Griffin indicated that those matters are generally turned over as civil matters to be determined by the courts.

Board Action:

A motion was made by Mr. Schoonover and seconded by Mr. Salazar, to receive and file staff's update on cybersecurity; the motion was unanimously adopted.

5. BOARD REPORT 23-36: 2023 NAGDCA CONFERENCE LEARNINGS

Presentation Highlights:

Mr. Lan introduced the report and provided the following highlights:

- Three staff members and three Board members attended the 2023 National Association of Government Defined Contribution Administrators (NAGDCA) Conference.
- The session on communication best practices emphasized simplicity of messaging and audience-driven design to drive participants to the appropriate action.
- NAGDCA provided a Fees Guide that contains a glossary of key terms and an analysis of key cost drivers and options, which may be a helpful resource tool for the DCP.
- The session on solutions to upcoming and current fiduciary challenges highlighted the significance of fiduciary liability insurance.

Board Member Comments/Questions & Responses:

Mr. Moutes noted a session on the decumulation phase for participants and the significance of providing options and information to guide participants in approaching retirement.

6. BOARD REPORT 23-37: DEFERRED COMPENSATION PLAN PROJECTS AND ACTIVITIES REPORT: SEPTEMBER AND OCTOBER 2023

Presentation Highlights:

Ms. Chang and Mr. Lan introduced the report and provided the following highlights:

- The HRP go-live date was delayed from December 2023 to June 2024, allowing for additional time for testing and reviewing.
- A Voya system-wide error that impacted multiple plan sponsors delayed statement delivery notification and caused some participants who elected e-delivery to receive a paper statement and for some participants to receive their paper statements later than anticipated. Staff worked with Voya to create pop-ups on the pre-login and post-login pages of LA457 and also delivered a customized email notifying participants of the delay.
- Mr. Lurvey has replaced Mr. Moutes on the Investments Committee.

Board Member Comments/Questions & Responses:

Mr. Moutes stated that system transitions are often uncomfortable and require a hard deadline for transition, but noted that given the many concerns from various departments and representatives, it appears to be the right decision to delay the go-live date for the HRP transition.

7. REQUESTS FOR FUTURE AGENDA ITEMS

Mr. Benham requested a report regarding fiduciary liability insurance.

8. NEXT MEETING DATE

A regular meeting was noted for December 19, 2023 at 9:00 a.m.

9. ADJOURNMENT

The meeting was adjourned at 10:43 a.m.

Minutes prepared by staff member Eric Lan.