



Board Report 22-07

Date: January 18, 2022
To: Board of Deferred Compensation Administration (Board)
From: Staff
Subject: Deferred Compensation Plan Projects and Activities
Report: December 2021

Board of
Deferred Compensation
Administration

Thomas Moutes
Chairperson

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Vice-Chairperson

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Jeremy Wolfson

Discussion:

This report provides Deferred Compensation Plan (DCP) project and activity updates for December 2021:

A. Operations and Project Updates

- **Year-End Contributions** – As is the case every December, a significant amount of staff time was directed to assisting participants with year-end contribution issues, particularly those related to either maximizing deferrals by year-end or addressing contribution limits.

B. Communications Updates

- **LA457.com Systematic Update Project** – As DCP staff continues to develop new outreach materials and informational pieces, staff also is simultaneously updating the DCP website to ensure that all information is continually up to date and consistent across all promotional materials. Staff has recently updated the Pension Savings Plan page, Purchase Service Credits page, Frequently Asked Questions, and Contributions page. The pages in progress to be published are Loans, Pre-tax vs. After Tax Roth, and Accrued Leave.
- **Money Matters Zoom Virtual Meetings** – In October 2020, staff launched “Money Matters” virtual meetings for employees to interact with DCP local retirement counselors via Zoom. During these sessions DCP local retirement counselors provide education on various topics and answer participant questions.

General DCP information virtual meetings are held on the third Wednesday of every month from 12 noon to 1:00 pm. Attendance for the December virtual meetings is provided in the following table:

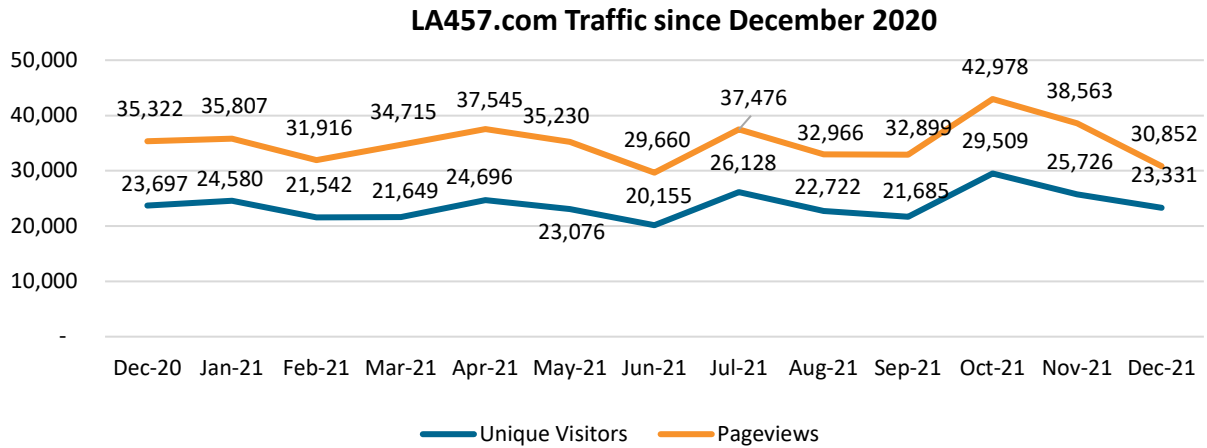
Topic	Date	Attendance
Pension Savings Plan and the DCP	December 15, 2021	75

• **LA457.com Engagement Statistics: December 2021**

In December LA457.com saw 23,331 unique visitors and 30,852 pageviews. The table to the right provides a review of the top ten website topics accessed by participants during the month.

Top 10 LA457.com Pages in December 2021	Views
1. Home	22,742
2. 2022 Contribution Limits	1,095
3. Contributions	810
4. Contact Us	802
5. FAQs	748
6. Join the DCP	558
7. Money Matters	370
8. Your Distribution Options	308
9. NRSM 2021	250
10. Investment Options	232

The chart below tracks LA457.com unique visitors and pages viewed since December 2020.



C. 2021 DCP Strategic Initiatives Update

Attachment A provides a status review of 2021 DCP Strategic Initiatives as adopted by the Board at its January 19, 2021 meeting.

D. Staffing Update

The following table provides a summary of staff positions supporting the DCP.

Position Authority	Incumbent Class	Function	Est. Percent Reimbursed by DCP	Staff Member
Personnel				
Defined Contribution Plan Manager	Defined Contribution Plan Manager	Executive Director	100%	Vacant
Chief Personnel Analyst	Chief Personnel Analyst	Executive Director	20%	Steven Montagna
Senior Benefits Analyst II	Senior Benefits Analyst II	Plan Governance	40%	Vacant
Senior Benefits Analyst I	Vacant	Plan Administration	100%	Vacant
Benefits Analyst	Management Assistant	Communications	100%	Eric Lan
Benefits Analyst	Benefits Analyst	Operations	100%	Mindy Lam
Benefits Specialist	Benefits Specialist	Participant Services	100%	Claudia Guevara
DCP Intern	DCP Intern	Participant Research	100%	Rose Moore
City Attorney				
Deputy City Attorney	Deputy City Attorney	Board Counsel	25%	Charles Hong
Legal Assistant	Legal Assistant	Participant Legal Services	40%	Vicky Williams

E. Committee Assignments

Following is the current Committee roster as designated by the Board Chairperson:

Plan Governance and Administrative Issues Committee	Investments Committee	Participant Engagement Committee	Ad Hoc DC Plan Manager Selection Committee
Joshua Geller, Chair	Raymond Ciranna, Chair	Neil Guglielmo, Chair	Thomas Moutes, Chair
Thomas Moutes	Joshua Geller	Joshua Geller	Joshua Geller
Baldemar J. Sandoval	Neil Guglielmo	Baldemar J. Sandoval	Neil Guglielmo
	Jeremy Wolfson		

F. Upcoming Board Meetings

Following is a review of upcoming Board meeting agenda items:

Meeting Date	Proposed Agenda Items
February 18, 2022	<ul style="list-style-type: none">• Charles Schwab Presentation• DC Plan Manager Selection Process• Quarterly Investment & Economic Review – Quarter 4, 2021• Board Report: 2022 Strategic Initiatives and 2021 Participant Outcomes Review• Board Report: Quarterly Reimbursements – Quarter 4, 2021• Board Report: DCP Plan Projects & Activities Report – January 2021
March 15, 2022	<ul style="list-style-type: none">• Third-Party Administrator (TPA) Quarterly Review – Quarter 4 2021• Board Report: DCP 2022 Research and Engagement Goals and Strategies• Board Report: DC Plan Manager Selection Process• Board Report: DCP Plan Projects & Activities Report: February 2022

G. Meeting Calendar

To assist the Board in planning for upcoming meetings, staff developed a meeting calendar for the 2022 calendar year (**Attachment B**). The meeting calendar includes anticipated reports from staff and presentations from the DCP TPA, investment consultant, and investment providers. The calendar is subject to change based on Board member availability and other circumstances.

Submitted by:



Eric Lan, Benefits Analyst

Approved by:



Steven Montagna, Chief Personnel Analyst

2021 DCP Strategic Initiatives

1. Conduct Defined Contribution (DC) Plan Manager Position Selection Process (New)

Background: At its October 20, 2020 meeting, the Board approved several recommendations with respect to the salary and recruitment considerations for the new DC Plan Manager position, including setting the salary of the classification at the level of Chief Personnel Analyst and requesting exemption of the new position from civil service and an unfreeze to fill the position.

Status: In process. Discussion of this item is provided in Board Report 22-05.

2. Develop Board Findings Regarding Filing of Statements of Economic Interests and Related Requirements (New)

Background: In connection with DCP autonomy provisions in the recently adopted Memorandum of Understanding between the Board and Personnel Department, the Board adopted a strategic initiative to establish its findings with respect to identifying positions required to file Statements of Economic Interests and coordinating related requirements.

Status: Completed. Staff's analysis and recommendation were addressed in Board Report 21-09. Staff has been working with the Personnel Department's Personnel Services staff and the City's Ethics Commission to help facilitate and advance updates to the Personnel Department Conflict of Interest Code. Staff will report back to the Board with updates as developments occur.

3. Complete Plan Document Review (Continued)

Background: Staff has been working with Board counsel and the Plan Governance and Administrative Issues Committee to revise the DCP Plan Document.

Status: Completed. The Board approved the revised Plan Document at its June 15th, 2021 meeting (Board Report 21-31). Staff subsequently posted the revised Plan Document to the LA457.com website.

4. Complete Investment Manager Searches (Continued)

Background: The Board is in the process of executing provider searches for all of its investment mandates.

Status: In process. The most recent updates and actions regarding this item are provided in Board Report 22-04.

5. Complete Investment Advisory and Financial Education Services Review (Continued)

Background: Staff and the Board have been reviewing the potential for offering investment advisory and financial education services. A Request for Information (RFI) for investment advisory and/or financial education services was issued on the City's Los Angeles Business

Assistance Virtual Network on March 4, 2020 with responses due on April 7, 2020, resulting in four responses. Staff's evaluation of the responses to the RFI was addressed in Board Reports 20-34 and 20-38.

Status: Suspended. This project is temporarily suspended pending filling staff vacancies and future financial and budgetary analysis to take place in 2022.

6. Complete Request for Proposal for DCP Investment Consulting Services (New)

Background: A procurement process was conducted for investment consulting services in 2021.

Status: Completed. The Board completed selection of Mercer Investment Consulting at its December 21, 2022 meeting.

7. Initiate DCP Financial Audit (Continued)

Background: The contract with Crowe LLP to provide financial audit services for the DCP was executed on December 18, 2020.

Status: Suspended. On January, 6, 2021, staff met with Crowe LLP staff to discuss a proposed plan for the commencement of a financial audit. Staff reviewed the information provided by Crowe and staff's analysis and recommendations were addressed in Board Report 21-15. This project is temporarily suspended pending filling staff vacancies.

8. Design Automatic Enrollment Program (AEP) Supplemental Model (Continued)

Background: In May 2018, the Los Angeles Police Protective League (LAPPL) signed a letter of agreement adopting the DCP's AEP. DCP staff subsequently engaged in meetings with labor organization leaders to gather feedback about AEP interest. At its June 18, 2019 meeting, the Board approved staff's recommendation to coordinate a meeting of interested employee labor organizations to gather feedback and gauge interest in the AEP.

Status: Suspended. Staff has developed a discussion document for the City's labor organizations with respect to designing a supplementary optional AEP model. Under this option, labor organizations could elect a model providing for a higher default contribution rate, higher and faster auto escalation of the contribution rate, and/or applying automatic enrollment to current non-participating employees (not just new hires). This project is temporarily suspended pending filling staff vacancies; discussions with labor organizations will proceed as soon as practical.

9. Develop Options for Deemed IRA Investment Menu (Continued)

Background: At its December 15, 2020 meeting, the Board reviewed staff's analysis of the Deemed IRA option in Board Report 20-45 and adopted staff's recommendation to direct the Investments Committee to work with staff and the DCP investment consultant to develop options and considerations for a potential alternative investment menu design for the DCP Deemed IRA.

Status: In process. An update regarding this item is provided in Board Report 22-04.

10. Adopt Fiscal Year 2021-22 Participant Goals (New)

Background. On a fiscal year basis, the Board adopts DCP participant goals related to participation, contributions, distributions, and asset retention.

Status: Completed. The Board approved staff's proposal for amending the time period for DCP participant goals to be measured on an annual basis in Board Report 21-37. Staff will be working with Voya to review and analyze the results of participant outcomes as of the end of the Plan Year on December 31, 2021.

11. Implement Participant Survey Plan (Continued)

Background: The DCP periodically conducts surveys to assess participant feedback on various topics which are useful for the Board's consideration of service and plan design feature improvements or additions.

Status: In Process. Staff completed a review of an approach involving shorter and repeated "micro-surveys" to encourage responsiveness and develop trend data over time. The draft surveys and staff's proposal for issuing the surveys were approved by the Board at its June 15, 2021 meeting (Board Report 21-33). The surveys will be issued in 2022.

12. Develop DCP Communications Strategic Plan (Continued)

Background: The Board adopted as a strategic initiative the development of a DCP communications strategic plan that would provide a roadmap for creating effective and coordinated DCP messaging for the purpose of increasing employee participation, engagement, awareness, and satisfaction.

Status: Completed. Staff completed its draft plan for incorporating creative strategies for obtaining data and feedback from participants and integrating this information into a communications and engagement plan that is flexible and iterative. The proposed draft plan along with the proposed participant surveys (strategic initiative number 11) were approved by the Board at its June 15, 2021 meeting (Board Report 21-33).

2022 DCP BOARD MEETINGS CALENDAR		
Meeting Date	Agenda Item	Service Provider Presentation
February 15	Charles Schwab Presentation	Quarterly Investment & Economic Review (Q4 2021)
	Board Report: DC Plan Manager Selection Process	
	Board Report: 2022 Strategic Initiatives and 2021 Participant Outcomes Review	
	Board Report: Quarterly Reimbursements – Quarter 4, 2021	
	Board Report: DCP Plan Projects & Activities Report – January 2021	
March 15	Board Report: DCP 2022 Research and Engagement Goals and Strategies	TPA Quarterly Review (Q4 2021)
	Board Report: DC Plan Manager Selection Process	
	Board Report: DCP Plan Projects & Activities Report: February 2022	
April 19	Deferred Compensation Plan 2021 Annual Report	Investment Manager Presentation
	Board Report: DC Plan Manager Update	
	Board Report: DCP Plan Projects & Activities Report: March 2022	
May 17	Board Report: Quarterly Reimbursements – Q1 2022	Quarterly Investment & Economic Review (Q1 2022)
	Board Report: DCP Plan Projects & Activities Report: April 2022	
June 21	Board Report: DCP Plan Projects & Activities Report: May 2022	TPA Quarterly Review (Q1 2022)
July 19	Board Report: DCP Plan Projects & Activities Report: June 2022	Investment Manager Presentation
August 16	Board Report: Quarterly Reimbursements – Q2 2022	Quarterly Investment & Economic Review (Q2 2022)
	Board Report: FY 2023-24 Proposed Budget Requests	
	Board Report: DCP Plan Projects & Activities Report: July 2022	
September 20	Board Report: NRSM 2022 Campaign	TPA Quarterly Review (Q2 2022)
	Board Report: DCP Plan Projects & Activities Report: August 2022	
October 18	Board Report: DCP Plan Projects & Activities Report: September 2022	Investment Manager Presentation
November 15	Board Report: DCP Plan Projects & Activities Report: October 2022	Quarterly Investment & Economic Review (Q3 2022)
December 20	Board Report: 2022 DCP Resource Review	TPA Quarterly Review (Q3 2022)
	Board Report: Quarterly Reimbursements – Q3 2021	
	Board Report: NRSM 2022 Campaign Results	
	Board Report: DCP Plan Projects & Activities Report: November 2022	