



Board Report 23-23

Date: June 20, 2023

To: Board of Deferred Compensation Administration (Board)

From: Staff

Subject: DCP Board Meeting Date Survey Results

Board of Deferred Compensation Administration

Thomas Moutes
Chair

Neil Guglielmo
Vice-Chair

Robert Schoonover
First Provisional Chair

Jeremy Wolfson
Second Provisional Chair

Joshua Geller
Third Provisional Chair

Dana H. Brown

Linda P. Le

Joseph Salazar

LAFPP Representative, Vacant

Recommendation:

That the Board provide direction to staff whether to effect a change to the Board's regular meeting date and time and/or to pursue the assignment of alternates for ex officio Board members; and if so, for staff to return to the Board with the recommended modifications to the City of Los Angeles Administrative Code, Plan Document, and/or Governance Policies and Bylaws.

Discussion:

A. Background

At its meeting on April 18, 2023, the Board requested an agenda item to discuss the possibility of changing the BDCA regular meeting date due to conflicting standing commitments. The current meeting date, time, and location is written into the DCP Governance Policies and Bylaws (Bylaws) as follows:

Section 3.4.A – “The Board will hold regular meetings on the third Tuesday of each month at 9:00 AM and will be located at 700 E. Temple Street, Room 350 Los Angeles, CA 90012. The approximate length of meetings will be three hours. Meetings may be cancelled at the direction of the Chair or staff, or if a quorum is not met. Special meetings may be called by the Chair or by staff.”

Staff subsequently distributed a survey to the Board to assess alternative meeting days and times, in addition to obtaining interest in incorporating alternates for the ex officio Board members.

B. Survey Results - Meeting Date

The Board was asked to identify alternative days and times to hold the regular Board meetings, as well as to indicate any committed standing meetings that cannot be rescheduled. Staff received responses from seven Board members for consideration (the remaining two seats, the Active Participant LAFPP Representative seat and the Active Participant LACERS Representative seat, will be filled by new incoming members upon completion of the 2023 elections).

The survey results presented two potential options for consideration:

- **3rd Tuesday from 9 a.m. to 11 a.m.** – Five of the seven Board members indicated they are able to continue meeting at the current time.
- **3rd Tuesday from 10 a.m. to 12 p.m.** – Five of the seven Board members indicated their availability for this time. However, Mr. Wolfson is available only until 11 a.m. while Ms. Brown indicated her availability began at 11 a.m. due to the Personnel, Audits, and Hiring Committee meeting from 8:30 a.m. to 10 a.m.

If neither of these options are ideal for the Board, staff can revisit the survey once the two new Board members are seated after the results of the election.

C. Survey Results - Alternates for Ex Officio Board Members

The City of Los Angeles Administrative Code (LAAC) Section 4.1407 details the composition of the nine member Board as follows:

1. The General Manager of the Personnel Department who shall coordinate and/or disseminate rulings and responses necessitated by Board actions; and shall, through his/her Office, provide staff assistance and support to the Board.
2. The General Manager of the Los Angeles City Employees Retirement System.
3. The General Manager of Fire and Police Pensions.
4. The Retirement Plan Manager of the Water and Power Employees Retirement Plan.
5. One elected representative from the Los Angeles City Employees Retirement System, who shall be an active City employee and Plan Participant, elected by a plurality vote of the active membership of the Los Angeles City Employees Retirement System.
6. One elected representative from the Fire and Police Pensions, who shall be an active employee and Plan Participant, elected by a plurality vote of the active membership of Fire and Police Pensions.
7. One elected representative from the Water and Power Employees Retirement Plan, who shall be an active employee and Plan Participant, elected by a plurality vote of the active membership of the Water and Power Employees Retirement Plan.
8. One elected retired employee representative, who shall have retired or otherwise severed employment from the City and be a Plan Participant, elected by a plurality vote of Plan Participants who have retired or otherwise severed employment from the City.
9. One employee organization representative selected by the City's recognized employee organizations. The representative shall be an active City employee and Plan Participant.


Beginning July 1, 2008, the selection of the representative must occur and be certified by formal action of the recognized employee organizations not less frequently than once every two years.

The survey additionally queried the ex officio, or titled, Board members such as the General Managers of LACERS, LAFPP, and Personnel Department and the WPERP Plan Manager. All four ex officio members indicated their interest in assigning Alternates to attend Board meetings on their behalf. In considering the adoption of Alternates to the Board, the following concerns need further understanding:

- **Fiduciary Responsibility:** While the addition of Alternates provides the Board with greater flexibility in meeting quorum, a significant issue for discussion is the fiduciary responsibilities of the alternate. The Board has certain fiduciary responsibilities over the plan as set forth under the Plan Document, Bylaws, and the LAAC. Ice Miller affirmed the possibility of adding Alternates while noting that the original Board Member would continue to act as a co-fiduciary and could be subject to liability. The act of designating a fiduciary is an act by the individual Board member, who's continued duty would be to monitor the Alternate and developments related to the Plan.
- **Job Classification and Term Length:** To ensure that the Alternate can maintain a level of continuity with Board functions, it is recommended that Alternates should also have a minimum term length to ensure they are consistent and able to meet the current expectation that Board members be present for all Board and Committee meetings (DCP Governance Policies and Bylaws Section 3.4.D). Staff believes that the current ex officio Board member should also be able to designate the proper individual to serve as an Alternate, subject to potential job classification minimums which will need to be determined.
- **Amendments to City of Los Angeles Administrative Code, Plan Document, and Governance Policies and Bylaws:** In order to implement any changes to the Board's composition, amendments to the LAAC, Plan Document, and Bylaws must be made. Currently, Section 4.1407 of the LAAC enumerates specific titles or elected individuals to current Board positions.

Should the Board wish to proceed with the recommendation for assigning an Alternate, staff will return with recommended action.

Submitted by: 
Eric Lan, Benefits Analyst

Approved by: 
Esther Chang, Senior Personnel Analyst II