

Deferred Compensation Plan

BOARD REPORT 16-35

Date: November 15, 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 October 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 has been working on:

Communications

- **National Retirement Security Week (NRSW):** The official dates for NRSW occurred from October 16 through October 22, 2016. This year's featured an online interactive "Financial Wellness" exercise created to raise awareness of the City's Plan as well as place retirement planning within the overall context of financial wellness. In promoting the event, All-city e-mails were disseminated to the active City employee population. Additionally, printed postcards were mailed to the retired participant population. The Plan was able to achieve a new record for engagement in this year's campaign, receiving over 2,962 responses to the interactive exercise/survey. Further breakdown of those metrics are available in Board Report 16-34.

Operations

- **Participant Services:** Staff continues to assist participants with questions and issues related to loan administration, distributions, contributions, special catch-up enrollment, and accrued leave deferrals.

Administration

- Plan Governance & Administrative Issues Committee - Staff has scheduled a Plan Governance & Administrative Issues Committee meeting for Wednesday, December 7th, from 1:30 to 3:00.
- Investments Committee - Staff is presently assessing Committee member availability for a meeting of the Investments Committee in the first half of December.
- Union Bank: As previously indicated to the Board, the addition of Union Bank as a third provider for the Plan's blended FDIC option was delayed pending resolution of the Trading Agreement between Empower and Union Bank. As of October 25, 2016, the Trade Agreement issues have been resolved. Relative to the primary services agreement between Union Bank and the City's Plan, staff is presently awaiting confirmation from the Public Works Bureau of Contract Compliance as to certain exemptions to general City contracting requirements that staff believes should apply to this agreement.

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

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 | Executive Director | 20% | Steven Montagna |
| Senior Personnel Analyst II | Senior Personnel Analyst II | Operations Manager | 60% | Ana Chavez |
| Management Analyst II | Management Analyst II | Administration/Policy | 90% | Matthew Vong |
| Management Analyst II | Management Assistant | Metrics/Communications | 90% | Daniel Powell |
| Management Analyst II | Management Assistant | Governance/Special Projects | 90% | Angela Yin |
| Benefits Specialist | Sr. Administrative Clerk | Participant Services | 90% | Claudia Guevara |
| 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 |

Submitted by: _____
Matthew Vong

Reviewed by: _____
Ana Chavez

Approved by: _____
Steven Montagna

| DEFERED COMPENSATION | | | | | | |
|----------------------------------|--------------------|---|--|----------|------------|---------------|
| | Legend: | | | | | |
| | G = Governance | | | | | |
| | C = Communications | | | | | |
| | O = Operations | | | | | |
| | A = Administration | | | | | |
| COMPLETED PROJECTS: October 2016 | | | | | | |
| # | STATUS | | PROJECT | DUE DATE | COMPLETED? | NOTES |
| 1 | Completed | G | Board Report - Minutes | 10/31/16 | Y | For September |
| 2 | Completed | G | Board Report - Staff Report | 10/31/16 | Y | For September |
| 3 | Completed | G | Board Report - Plan Governance Documents Review Schedule | 10/31/16 | Y | |
| 4 | Completed | G | Board Report - Investment Issues Review Schedule | 10/31/16 | Y | |
| 5 | Completed | G | Board Report - Quarterly Reimbursements, 1Q & 2Q 2016 | 10/31/16 | Y | |
| 6 | Completed | G | Board Report - DCP FY 2017-18 Training/Travel Program | 11/30/16 | Y | |
| 7 | Completed | G | Board Report - DCP Plan Proposed Metrics | 10/31/16 | Y | |
| 8 | Completed | A | NAGDCA Travel PES reimbursements | 10/31/16 | Y | |
| 9 | Completed | A | Union Bank - Trading Agreement with Empower | 10/31/16 | Y | |
| 10 | Completed | C | NRSW Campaign E-mail, Website & Postcard Development | 10/31/16 | Y | |
| 11 | Completed | C | NRSW Campaign E-mail, Website & Postcard Rollout | 10/31/16 | Y | |
| 12 | Completed | C | 3Q 2016 Newsletter - Formatting & Layout Review | 10/11/16 | Y | |
| 13 | Completed | C | 3Q 2016 Compliance Review | 10/31/16 | Y | |
| 14 | Completed | C | 3Q 2016 Newsletter - Mail & Print | 10/31/16 | Y | |
| 15 | Completed | O | Plan Payroll & Transaction Processing | 10/31/16 | Y | Ongoing |
| 16 | Completed | O | Participant & Payroll Issues Resolution | 10/31/16 | Y | Ongoing |

| PENDING PROJECTS | | | | | | |
|------------------|---------|---|--|----------|--|--|
| NOVEMBER 2016 | | | | | | |
| 17 | PENDING | G | Board Report - Minutes | 11/30/16 | | For October |
| 18 | PENDING | G | Board Report - Staff Report | 11/30/16 | | For October |
| 19 | PENDING | G | PG&AC Report - Plan Resources Review | 11/30/16 | | Pending |
| 20 | PENDING | G | IC Report - Investment Issues Review | 11/30/16 | | Pending |
| 21 | PENDING | G | Board Report - Quarterly Reimbursements, 3Q 2016 | 11/30/16 | | Pending |
| 22 | PENDING | G | Board Report - DCP Plan Goals & Metrics | 11/30/16 | | Pending |
| 23 | PENDING | G | Board Report - Quarterly Reimbursements - 3Q 2016 | 11/31/16 | | Pending |
| 24 | PENDING | G | Board Report - Travel Policy Recommendation | 11/30/16 | | Pending |
| 25 | PENDING | G | Board Report - TPA Transition Update | 11/30/16 | | Pending |
| 26 | PENDING | A | Union Bank - Contract Review by City Attorney | 11/30/16 | | Pending |
| 27 | PENDING | A | Union Bank - Contract Review by Vendor | 11/30/16 | | Pending |
| 28 | PENDING | A | PSP TPA RFP - Posting | 11/30/16 | | Pending |
| 29 | PENDING | A | Union Bank - Contract Approval from CAO/Mayor | 11/30/16 | | Pending |
| 30 | PENDING | A | Union Bank - Contract Execution | 11/30/16 | | Pending |
| 31 | PENDING | A | Governance Documents Review | 11/30/16 | | Plan Document, Bylaws, |
| 32 | PENDING | A | TPA Transition | 11/30/16 | | Ongoing |
| 33 | PENDING | C | New Employee Welcome Packet - Development | 11/30/16 | | Pending |
| 34 | PENDING | C | Investment Performance Document - Revisions | 11/30/16 | | FNs to be updated for FDIC; review for other fund changes as well. |
| 35 | PENDING | C | Distribution Options Guide - Tax and Loan revisions | 11/30/16 | | Pending |
| 36 | PENDING | C | Catch Up - Form revisions | 11/30/16 | | Pending |
| 37 | PENDING | C | Revise Pension Savings Plan Highlights | 11/30/16 | | Pending |
| 38 | PENDING | O | Catch Up Unused Bucket - To fix amounts reset at 2015 end. | 11/30/16 | | Pending. SOS Ticket #767404 |
| 39 | PENDING | O | Plan Payroll & Transaction Processing | 11/30/16 | | Ongoing |
| 40 | PENDING | O | Participant & Payroll Issues Resolution | 11/30/16 | | Ongoing |
| DECEMBER 2016 | | | | | | |

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|----------|---------|---|--|----------|--|----------------------|
| 41 | PENDING | G | Board Report - Minutes | 12/31/16 | | For November |
| 42 | PENDING | G | Board Report - Staff Report | 12/31/16 | | For November |
| 43 | PENDING | G | Board Report - 2017 Board Elections Overview | 12/31/16 | | Pending |
| 44 | PENDING | G | Board Report - 2017 Plan Year Budget | 12/31/16 | | Pending |
| 45 | PENDING | G | Board Report - 2016 Meeting Attendance | 12/31/16 | | Pending |
| 46 | PENDING | G | Board Report - DCP Plan Goals & Metrics | 12/31/16 | | Pending |
| 47 | PENDING | G | Board Report - TPA Transition Update | 12/31/16 | | Pending |
| 48 | PENDING | G | Convene PG&AI Committee Meeting | 12/15/16 | | Pending |
| 49 | PENDING | G | Convene Investment Committee Meeting | 12/15/16 | | Pending |
| 50 | PENDING | A | TPA Transition | 12/31/16 | | Ongoing |
| 51 | PENDING | C | Contribution Limit Increase Flyer & Distribution to City employees | 12/15/16 | | Pending |
| 52 | PENDING | C | Drop Meeting Schedule Update | 12/15/16 | | Pending |
| 53 | PENDING | O | Plan Payroll & Transaction Processing | 12/31/16 | | Ongoing |
| 54 | PENDING | O | Participant & Payroll Issues Resolution | 12/31/16 | | Ongoing |
| UPCOMING | | | | | | |
| 55 | PENDING | G | Board Report - Beneficiary Campaign Summary | TBD | | Pending |
| 56 | PENDING | G | Board Report - Distributions & Contributions - Retirees who return to work | TBD | | Pending |
| 57 | PENDING | G | Report back recapping presentation on Financial Wellness from Strategic Planning Meeting | TBD | | Pending |
| 58 | PENDING | G | Letter to City Council re 10% Early Distribution Penalty | TBD | | Pending |
| 59 | PENDING | G | Board Report - Proxy Share Voting | TBD | | To add to Gov Review |
| 60 | PENDING | G | PSP Program Review - Proposal for Terminated Accounts | TBD | | Pending |
| 61 | PENDING | G | Loan Policy Document | TBD | | Pending |
| 62 | PENDING | G | Board Report - Historical Contribution History | TBD | | Pending |
| 63 | PENDING | G | Board Report - SAS Form | TBD | | Pending |
| 64 | PENDING | G | Review of CA Governmental Plan - Demographic Files | TBD | | Pending |
| 65 | PENDING | G | Board Report - Contractor Evaluation Policy | TBD | | Pending |
| 66 | PENDING | G | Board Report - Retirement/Pension System Retired Loan Payments | TBD | | Pending |

| | | | | | | |
|----|---------|---|---|---------|--|---------|
| 67 | PENDING | G | Investments Committee Meeting: Investment Policy Review - Termination | TBD | | Pending |
| 68 | PENDING | G | Research adding other Plan type in order to increase savings opportunities (from 8/21/12 BDCA meeting) | TBD | | Pending |
| 69 | PENDING | G | Deemed IRA | TBD | | Pending |
| 70 | PENDING | G | Auto-Glide Investment Allocations | TBD | | Pending |
| 71 | PENDING | G | Board Report - Transition Manager Procurement | TBD | | Pending |
| 72 | PENDING | G | Revisit Plan Audit | TBD | | Pending |
| 73 | PENDING | G | Board Report - 2014 PSP Annual Report | TBD | | Pending |
| 74 | PENDING | C | Research - Video Content Development & Social Media Capabilities | TBD | | Pending |
| 75 | PENDING | C | Website Tutorial/Education Videos | TBD | | Pending |
| 76 | PENDING | C | Letter Notification to Participants RE: Catch-Up Eligibility ("Attained Age Letters") | TBD | | Pending |
| 77 | PENDING | C | EZ Enrollment Form | TBD | | Pending |
| 78 | PENDING | C | Enrollment Guide Revision | TBD | | Pending |
| 79 | | C | DROP Options Guide update-revisions | TBD | | Pending |
| 80 | PENDING | C | Enrollment Form Revision Phase 2 (Auto escalation & PSP Rollover addition) | TBD | | Pending |
| 81 | PENDING | C | DROP participant fee comparison graphic flier | TBD | | Pending |
| 82 | PENDING | C | Roth 457 Intro Guide Revise/Redesign | TBD | | Pending |
| 83 | PENDING | C | DCP Glossary | TBD | | Pending |
| 84 | PENDING | C | Communications Plan: List of alternative DC publications and outlets (LACERS, Pensions, Union pubs, etc.) | TBD | | Pending |
| 85 | PENDING | A | Budget procedural revisions | TBD | | Pending |
| 86 | | O | Catch Up Contribution changes allowed online | TBD | | Pending |
| 87 | PENDING | O | PSP Account Consolidation | TBD | | Pending |
| 88 | PENDING | O | Domestic Partners Research and Review with City Attorney and California Peers | TBD | | Pending |
| 89 | PENDING | O | Online Enrollment Functionality | TBD | | Pending |
| 90 | PENDING | O | Pre-Audit Testing - Phase II | TBD | | Pending |
| 91 | PENDING | O | PST Retroactive Adjustments - Meeting w/ LACERS & Controller | TBD | | Pending |
| 92 | PENDING | O | DCP Workprocesses Review & Documentation | Ongoing | | Pending |

BDCA UPCOMING AGENDA TOPICS

| | Administrative Issues | Presentations/Training |
|------------------|---|--|
| Dec. 2016 | TPA Transition Update | TPA/Plan Statistics Review (3Q 2016) Quarterly Investment & Economic Review (3Q 2016) |
| | Quarterly Reimbursements, 3Q 2016 | |
| | Travel Policy Update | |
| | Goals & Metrics Update | |
| | Beneficiary E-mail Campaign Results | |
| Jan. 2017 | TPA Transition Update | Fund Manager Presentation (Galliard) |
| | 2016 Meeting Attendance | |
| | Goals & Metrics Update | |
| | 2017 Plan Year Budget | |
| | 2017 Board Elections - Overview | |
| Feb. 2017 | TPA Transition Update | Quarterly Investment & Economic Review (4Q 2016) |
| | Quarterly Reimbursements, 4Q 2016 | |
| | Goals & Metrics Update | |
| Mar. 2017 | TPA Transition Update | TPA/Plan Statistics Review (4Q 2016) |
| | Goals & Metrics Update | |
| Apr. 2017 | TPA Transition Update | |
| | 2017 Board Elections - Update | |
| | DCP Annual Report 2016 | |
| | Goals & Metrics Update | |
| May 2017 | TPA Transition Update | Quarterly Investment & Economic Review (1Q 2017) |
| | 2016-2017 Conference Training Preferences | |
| | Goals & Metrics Update | |
| June 2017 | TPA Transition Update | TPA/Plan Statistics Review (1Q 2017) |
| | 2017 Board Elections - Results | |
| | Goals & Metrics Update | |