

Deferred Compensation Plan BOARD REPORT 16-30

Date: October 18, 2016
To: Board of Deferred Compensation Administration
From: Staff
Subject: Proposed Travel-Training Program: FY 2017-18

*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 approve the proposed Training Program for Fiscal Year 2017-18.

Discussion:

Each year, the Board adopts a Plan Budget for the calendar year, which includes funds set aside for training purposes. The Board has also adopted a Training/Education/Travel Policy (“Training Policy”) for its members and staff. The Training Policy establishes objectives for training within certain categories, and identifies resources for providing training.

Each fall, staff provides the Board with a proposed Training Program for the subsequent fiscal year beginning in July. The reason the Board is asked to adopt its Training Program on a fiscal rather than calendar year basis is due to the need to coordinate travel funding requests through the City’s budget process, which is based on fiscal year. The Board’s adoption of the Training Program provides information regarding travel events and expenditures which the Personnel Department includes in its annual fiscal year budget request on behalf of the Board. Travel events for the Board and staff must be approved within the department’s fiscal year budget.

Training Events

Staff has developed the “Proposed Training/Travel Program FY 17-18” (Attachment A). The recommended training and travel items for FY 17-18 are consistent with those adopted at the Board’s September 15, 2015 meeting for FY 16-17. Descriptions of each of the External Training events are also included for reference (Attachment B).

Funding for Training Program

The Plan Budget includes a budget amount for training every year. The Plan Budget and Training Policy also provide for 2% annual growth of the base budget amount for training¹. The budgeted amount for the 2017-18 Training Program is the average of the forecasted travel budget amounts to be included in the Plan Budget for years 2017 and 2018. Based on this, the projected budget amount for the 2017-18 Training Program is sufficient to cover the maximum amount of anticipated expenses. It should also be

¹ The base amount for travel was set at \$50,000 for the 2008 Plan Year budget, which has been increased by 2% for each subsequent year’s Plan Budget.

noted that typically actual expenditures have been substantially less than the budgeted amount, as indicated in the following table:

PROGRAM YEAR	APPROVED BUDGET	ACTUAL EXPENDITURES	<i>Difference</i>
2013-14	\$ 55,756	\$ 25,134	\$ 30,622
2014-15	\$ 56,871	\$ 47,222	\$ 9,649
2015-16	\$ 59,169	\$ 19,842	\$ 39,327

Staff recommends approval of the proposed Training Program for FY 2017-18.

Submitted by: _____
Angela Yin

Reviewed by: _____
Matthew Vong

Approved by: _____
Steven Montagna

PROPOSED TRAINING/TRAVEL PROGRAM FY 17-18

EXTERNAL TRAINING										
Conference Travel (Eligible Conferences)	Tentative Date(s)	Approx. Per Member Cost	Approx. # Attendees	Maximum Cost	Fiduciary	Ethics	Regulatory	Best Practices	Plan Services	Investments
Natl Assn of Governmental Defined Contribution Administrators (NAGDCA)	9/24/2017 - 9/27/2017	\$ 2,500	TBD	TBD	x		x	x		x
Pensions & Investments East Coast or West Coast Conference	Oct-17 / Mar-18	\$ 2,500	TBD	TBD	x		x	x		x
International Foundation of Employee Benefit Plans	10/22/2017-10/25/2017	\$ 2,500	TBD	TBD	x		x	x		x
Plan Sponsor Council of America	Sep-17	\$ 2,500	TBD	TBD	x		x	x		x
Mercer Global Investments Forum	Jun-18	\$ 2,500	TBD	TBD	x		x	x		x
Plan Sponsor National Conference	April-18	\$ 2,500	TBD	TBD	x		x	x		x
International Foundation of Employee Benefit Plans – Public Sector 457 Plans Course	Oct-17	\$ 2,500	TBD	TBD	x		x			x
Wharton School - Portfolio Management OR Advanced Investments Management Course	9/25/2017 - 9/28/2017 / Apr-18	\$ 6,000	1	TBD	x		x			x
Total Conference Travel Slots			15	\$ 43,500						

Business Meeting Travel	Tentative Date(s)	Approx. Per Member Cost	Approx. # Attendees	Maximum Cost	Fiduciary	Ethics	Regulatory	Best Practices	Plan Services	Investments
California Defined Contribution Peer Network Meeting(s)	Jun-18	\$ 500	4	\$ 2,000	x		x	x		x
Third-Party Administrator Site Visit	Apr-18	\$ 500	4	\$ 2,000					x	
Total Business Meeting Travel Slots		\$ 500	6	\$ 4,000						
INTERNAL/ONSITE TRAINING										
Training	Tentative Date(s)	Approx. Per Member Cost	Approx. # Attendees	Maximum Cost	Fiduciary	Ethics	Regulatory	Best Practices	Plan Services	Investments
Fiduciary (at City)	TBD	\$ 267	15	\$ 4,000	x					
Regulatory (at City)	TBD	\$ 267	15	\$ 4,000			x			
Investments (at City)	TBD	\$ 67	15	\$ 1,000						x
Best Practices (at City)	TBD	\$ 133	15	\$ 2,000		x		x		
Total On-site Training Costs				\$ 11,000						
INDIVIDUAL TRAINING PROGRAMS										
Training	Tentative Date(s)	Approx. Per Member Cost	Approx. # Enrollees	Maximum Cost	Fiduciary	Ethics	Regulatory	Best Practices	Plan Services	Investments
INFRE Retirement Plan Administrator Series	n/a	\$ 550	3	\$ 1,650	x		x	x		x
Total Training Program Costs				\$ 1,650						

TRAINING EXPENDITURES 17/18

\$ 60,150

PROPOSED TRAINING BUDGET 17/18

\$ 60,352

DIFFERENCE

\$ 202

1. National Association of Government Defined Contribution Administrators (NAGDCA)

The National Association of Government Defined Contribution Administrators (NAGDCA) is an organization consisting of government and industrial members pursuing legislative enhancements to defined contribution plans and providing educational benefits to its membership. The annual conference is focused on issues affecting state and local government administrators of primarily Section 457 defined contribution plans. The conference generally includes sessions reviewing federal legislative developments, current trends on plan design and administration, and education on plan fundamentals.

Travel dates: September 2017
Travel destination: Milwaukee, WI
Attendees: Available Board/staff members

2. Pensions & Investments – East Coast or West Coast Conference

Pension and Investments is a company dedicated to providing comprehensive retirement and investment industry information via its online and distributed print editions. The annual bi-coastal conferences direct each agenda to current issues facing each region. The conferences are comprised of panel discussions and keynote speaker presentations regarding fiscal and administrative concerns. Conference registration for Plan Sponsors is complimentary if booked in advance.

Travel dates: October 2017 or March 2018
Travel destination: To be announced
Attendees: Two Board/staff members

3. International Foundation of Employee Benefit Plans

The International Foundation of Employee Benefit Plans is a non-profit organization that focuses on providing a wide array of educational and networking opportunities to professionals administering employee benefits and compensation. The Annual U.S. Employee Benefits Conference is formatted to provide a large list of seminar options in which attendees can build their itinerary from broader overall topics. Categories include Fiduciary Responsibility, Investments, Communication, or Administration/Technology.

Travel dates: October 2017
Travel destination: Las Vegas, Nevada
Attendees: Two Board/staff members

4. Plan Sponsor Council of America

The Plan Sponsor Council of America (PSCA) is a nonprofit association that provides services, best practice information, and advocacy to defined contribution plan sponsors. Members have access to a broad range of resources and programs that address the varying needs of both small and large companies. Membership includes 1,200 companies ranging in size from Fortune 100 firms to small, entrepreneurial businesses.

Travel dates: September 2017
Travel destination: To be announced
Attendees: Two Board/staff members

5. Mercer Global Investment Forum

Mercer is a world-wide firm comprised of professional consultants and experts in the fields of Health, Wealth, and People and works directly with its clients. The Mercer Global Investment Forums are a series of events around the world with focuses on idea sharing and networking between institutional investors and plan managers.

Travel dates: June 2018
Travel destination: To be announced
Attendees: Two Board/staff members

6. PLANSPONSOR National Conference

PLANSPONSOR is an organization focused on putting trending topics of the retirement industry into the hands of its public and private sector membership through its online content and print editions of the PLANSPONSOR magazine. The PLANSPONSOR National Conference is expected to showcase collaborations of field experts on legislation, education, and administration topics.

Travel dates: April/May 2018
Travel destination: To be announced
Attendees: Two Board/staff members

7. International Foundation of Employee Benefit Plans – Public Sector 457 Plans

The International Foundation of Employee Benefit Plans is a non-profit organization that focuses on providing a wide array of educational and networking opportunities to professionals administering employee benefits and compensation. Their Certificate Series programs are a series of courses provided towards pursuit of receiving a particular designation, but which can also be taken individually and separate from pursuit of a certificate.

Travel dates: To be announced – varies
Travel destination: To be announced – varies
Attendees: Two Board/staff members

8. Wharton School Courses

In a partnership with the International Foundation of Employee Benefit Plans, the Wharton School of the University of Pennsylvania offers a Portfolio Concepts and Management course: a 3½-day course that offers lecture/discussion sessions, problem-solving exercises and small group breakout sessions. This course lays the groundwork for the core principles of portfolio theory and investment performance measurement, offering the practical tools and experiences needed to make sound investment management decisions. The school also offers an Advanced Investments Management course, which is a 3½-day course with an optional 1-day Refresher Workshop in Core Investment Concepts. This course is an advanced thorough and rigorous instruction designed to build upon existing knowledge and experience in the investing arena.

Travel dates: Sept 2017 or April/May 2018
Travel destination: Philadelphia, Pennsylvania
Attendees: One Board/staff member