

# Deferred Compensation Plan BOARD REPORT 16-39

Date: December 13, 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 November 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**

- **Contribution Limits Announcement:** Staff finalized its annual communication informing Plan participants of 2017 contribution limits. The U.S. Treasury Department recently announced that no changes to the contribution limits will take place in 2017. As part of this, staff finalized and introduced a custom "Contribution Calculator" web tool which participants can use to determine how their biweekly contributions translate as a percent of pay.

#### **Administration**

- **Plan Governance & Administrative Issues Committee** – The Plan Governance & Administrative Issues Committee met on December 7, 2016. Committee members and Plan staff had constructive discussions regarding a review of Plan resources, the Plan Document as well as Plan Governance Policies & Bylaws. No actions were taken pending further research and reports-back from staff. A follow-up meeting is expected to be scheduled over the next 30-60 days. Any recommendations adopted by the Committee will subsequently be brought to the full Board for consideration and approval.

- Investments Committee – The Investments Committee met on December 14, 2016 and had constructive discussions regarding the Plan investment menu. A report from the Committee to the Board relative to the Plan’s Mid-Cap Fund will be developed and presented at the Board’s January 17, 2017 meeting. No actions were taken on other agenda items pending further research and reports-back from staff. A follow-up meeting is expected to be scheduled over the next 30-60 days. Any recommendations adopted by the Committee will subsequently be brought to the full Board for consideration and approval.

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
<b>Personnel</b>				
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
<b>City Attorney</b>				
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:

<b>Plan Governance &amp; Administrative Issues Committee</b>
<b>John R. Mumma, Chair</b>
Cliff Cannon
Linda P. Le
Michael Amerian

<b>Investments Committee</b>
<b>Raymond Ciranna, Chair</b>
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: November 2016						
#	STATUS		PROJECT	DUE DATE	COMPLETED?	NOTES
1	Completed	G	Board Report - Minutes	11/30/16	Y	For October
2	Completed	G	Board Report - Staff Report	11/30/16	Y	For October
3	Completed	G	PG&AC Report - Plan Resources Review	11/30/16	Y	
5	Completed	G	Board Report - Quarterly Reimbursements, 3Q 2016	11/30/16	Y	
6	Completed	G	Board Report - DCP Plan Goals & Metrics	11/30/16	Y	
7	Completed	G	Board Report - TPA Transition Update	11/30/16	Y	Ongoing
8	Completed	C	NSRW Week. Prepare communications for winners of random drawing.	11/30/16	Y	
9	Completed	C	Contribution Limits Flyer	11/30/16	Y	
10	Completed	A	Union Bank - Contract Review by City Attorney	12/31/16		Pending
11	Completed	A	Union Bank - Contract Review by Vendor	12/31/16		Pending
12	Completed	O	Plan Payroll & Transaction Processing	11/30/16	Y	Ongoing
13	Completed	O	Participant & Payroll Issues Resolution	11/30/16	Y	Ongoing
PENDING PROJECTS						
DECEMBER 2016						
13	PENDING	G	Board Report - Minutes	12/31/16		For November
14	PENDING	G	Board Report - Staff Report	12/31/16		For November
15	PENDING	G	Board Report - Travel Policy Recommendation	12/31/16		Pending
16	PENDING	G	IC Report - Investment Issues Review	12/14/16		Pending
17	PENDING	G	Board Report - 2017 Board Elections Overview	01/11/16		Pending for January Meeting
18	PENDING	G	Board Report - 2017 Plan Year Budget	01/11/16		Pending for January Meeting

19	PENDING	G	Board Report - 2016 Meeting Attendance	01/11/16		Pending for January Meeting
20	PENDING	G	Board Report - TPA Transition Update	12/31/16		Pending
21	PENDING	G	Convene PG&AI Committee Meeting	12/07/16		Pending
22	PENDING	G	Convene Investment Committee Meeting	12/14/16		Pending
23	PENDING	A	PSP TPA RFP - Posting	12/31/16		Pending
24	PENDING	A	Union Bank - Contract Approval from CAO/Mayor	12/31/16		Pending
25	PENDING	A	Union Bank - Contract Execution	12/31/16		Pending
26	PENDING	A	Governance Documents Review	12/31/16		Plan Document, Bylaws,
27	PENDING	A	TPA Transition	12/31/16		Ongoing
28		C	4Q Newsletter Articles Draft Review	11/30/16		
29	PENDING	C	Percent of Pay Contribution Tool	12/31/16		Pending
30	PENDING	C	Contribution Limit Increase Flyer & Distribution to City employees	12/15/16		Pending
31	PENDING	C	Drop Meeting Schedule Update	12/15/16		Pending
32		C	4Q Newsletter Layout Review	12/31/16		Pending
33	PENDING	C	New Employee Welcome Packet - Development	12/31/16		Pending
34	PENDING	C	Investment Performance Document - Revisions	12/31/16		FNs to be updated for FDIC; review for other fund changes as well.
35	PENDING	C	Distribution Options Guide - Tax and Loan revisions	12/31/16		Pending
36	PENDING	C	Revise Pension Savings Plan Highlights	12/31/16		Pending
37	PENDING	O	Plan Payroll & Transaction Processing	12/31/16		Ongoing
38	PENDING	O	Participant & Payroll Issues Resolution	12/31/16		Ongoing

**JANUARY 2016**

39	PENDING	G	Board Report - Minutes	01/31/16		For December
40	PENDING	G	Board Report - Staff Report	01/31/16		For December
41	PENDING	G	Board Report - 2017 Board Elections Overview	01/11/16		Pending for January Meeting
42	PENDING	G	Board Report - 2017 Plan Year Budget	01/11/16		Pending for January Meeting
43	PENDING	G	Board Report - 2016 Meeting Attendance	01/11/16		Pending for January Meeting
44	PENDING	G	Board Report - DCP Plan Goals & Metrics	01/31/16		For February Meeting
45	PENDING	G	Board Report - TPA Transition Update	01/31/16		Pending
46	PENDING	A	TPA Transition	01/31/16		Ongoing

47	PENDING	A	Notify City Clerk of Board Election	01/15/16		Pending
48	PENDING	C	TPA Transition Communication to Participants	01/31/16		
49	PENDING	O	Catch Up Unused Bucket - To fix amounts reset at 2015 end.	01/31/16		Pending. SOS Ticket #767404
50	PENDING	O	Plan Payroll & Transaction Processing	01/31/16		Ongoing
51	PENDING	O	Participant & Payroll Issues Resolution	01/31/16		Ongoing
<b>UPCOMING</b>						
52	PENDING	G	Board Report - Beneficiary Campaign Summary	TBD		Pending
53	PENDING	G	Board Report - Distributions & Contributions - Retirees who return to work	TBD		Pending
54	PENDING	G	Report back recapping presentation on Financial Wellness from Strategic Planning Meeting	TBD		Pending
55	PENDING	G	Letter to City Council re 10% Early Distribution Penalty	TBD		Pending
56	PENDING	G	Board Report - Proxy Share Voting	TBD		To add to Gov Review
57	PENDING	G	PSP Program Review - Proposal for Terminated Accounts	TBD		Pending
58	PENDING	G	Loan Policy Document	TBD		Pending
59	PENDING	G	Board Report - Historical Contribution History	TBD		Pending
60	PENDING	G	Board Report - SAS Form	TBD		Pending
61	PENDING	G	Review of CA Governmental Plan - Demographic Files	TBD		Pending
62	PENDING	G	Board Report - Contractor Evaluation Policy	TBD		Pending
63	PENDING	G	Board Report - Retirement/Pension System Retired Loan Payments	TBD		Pending
64	PENDING	G	Investments Committee Meeting: Investment Policy Review - Termination	TBD		Pending
65	PENDING	G	Research adding other Plan type in order to increase savings opportunities (from 8/21/12 BDCA meeting)	TBD		Pending
66	PENDING	G	Deemed IRA	TBD		Pending
67	PENDING	G	Auto-Glide Investment Allocations	TBD		Pending
68	PENDING	G	Board Report - Transition Manager Procurement	TBD		Pending
69	PENDING	G	Revisit Plan Audit	TBD		Pending
70	PENDING	G	Board Report - 2014 PSP Annual Report	TBD		Pending

71	PENDING	C	Catch Up - Form revisions	11/30/16		Pending
72	PENDING	C	Research - Video Content Development & Social Media Capabilities	TBD		Pending
73	PENDING	C	Website Tutorial/Education Videos	TBD		Pending
74	PENDING	C	Letter Notification to Participants RE: Catch-Up Eligibility ("Attained Age Letters")	TBD		Pending
75	PENDING	C	EZ Enrollment Form	TBD		Pending
76	PENDING	C	Enrollment Guide Revision	TBD		Pending
77		C	DROP Options Guide update-revisions	TBD		Pending
78	PENDING	C	Enrollment Form Revision Phase 2 (Auto escalation & PSP Rollover addition)	TBD		Pending
79	PENDING	C	DROP participant fee comparison graphic flier	TBD		Pending
80	PENDING	C	Roth 457 Intro Guide Revise/Redesign	TBD		Pending
81	PENDING	C	DCP Glossary	TBD		Pending
82	PENDING	C	Communications Plan: List of alternative DC publications and outlets (LACERS, Pensions, Union pubs, etc.)	TBD		Pending
83	PENDING	A	Budget procedural revisions	TBD		Pending
84		O	Catch Up Contribution changes allowed online	TBD		Pending
85	PENDING	O	PSP Account Consolidation	TBD		Pending
86	PENDING	O	Domestic Partners Research and Review with City Attorney and California Peers	TBD		Pending
87	PENDING	O	Online Enrollment Functionality	TBD		Pending
88	PENDING	O	Pre-Audit Testing - Phase II	TBD		Pending
89	PENDING	O	PST Retroactive Adjustments - Meeting w/ LACERS & Controller	TBD		Pending
90	PENDING	O	DCP Workprocesses Review & Documentation	Ongoing		Pending

## BDCA UPCOMING AGENDA TOPICS

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