

PERSONNEL AND HIRING COMMITTEE REPORT relative to revising subsection (e) of Section 4.1407 of the Los Angeles Administrative Code (LAAC) to increase member term lengths for Board of Deferred Compensation Administration (BDCA) from three to five years.

Recommendation for Council action:

REQUEST the City Attorney to prepare and present an Ordinance to revise subsection (e) of Section 4.1407, Chapter 14, Division 4 of the LAAC to increase member term lengths for BDCA from three to five years.

Fiscal Impact Statement: The Personnel Department reports that there is no impact to the City's General Fund. In accordance with LAAC 4.1407, the administration of the Deferred Compensation Plan (DCP) is required to be fully funded by participant fees. The DCP anticipates some savings applied to its reserve fund over a ten-year period in election administration costs (for example, savings on reimbursements to City Clerk and print/mail costs).

Community Impact Statement: None submitted.

Summary:

On December 3, 2025, your Committee considered an October 31, Personnel Department report relative to revising subsection (e) of Section 4.1407 of the LAAC to increase member term lengths for BDCA from three to five years. According to the Personnel Department, established under Chapter 14 of Division 4 of the LAAC, the DCP is a voluntary, supplemental retirement savings program for eligible City employees. It is a governmental 457(b) plan and allows eligible employees the opportunity to elect contributions from their biweekly pay as tax-advantaged savings towards their retirement. This benefit is meant to supplement the pension benefit a regular, full-time City employee receives. All participant assets are held in trust for their sole benefit. Under LAAC 4.1407, the BDCA has sole authority for the operation of the Plan and shall rule on all questions arising out of administration, interpretation and application of Plan rules and policies.

The Plan is staffed by Personnel Department employees, who are responsible for the day-to-day administration and operation of the DCP. Staff functions include managing relationships with the DCP recordkeeper and various consultants, as well as executing decisions of the BDCA. All Plan operating costs, including staffing, are fully funded by participant fees and have no impact to the General Fund. Research was conducted to identify the history of the creation of the current governance structure and the origin of the three-year member term. In 2007, a Task Force, composed of various DCP participants and BDCA member stakeholders, was convened that resulted in the present-day makeup of the BDCA. Many governance issues were discussed, including the potential length of an elected BDCA Member term; Task Force members even at that time

debated a longer, five-year member term due to the concern over maintaining institutional knowledge and training. As a compromise, a three-year member term was decided, without term limits. Following further review of the history of incumbent BDCA members, the DCP has found that members typically choose to run for at least one additional term. By transitioning to a five-year term, the election cycles would become aligned with the existing, de facto tenure of BDCA members. This change would not be a significant departure from current operational norms and would achieve cost savings by reducing the frequency of election cycles. After consideration and having provided an opportunity for public comment, the Committee moved to recommend approval of the recommendation contained in the Personnel Department report. This matter is now submitted to Council for its consideration.

Respectfully Submitted,

Personnel and Hiring Committee

COUNCILMEMBER:	VOTE:
McOSKER:	YES
RODRIGUEZ:	YES
SOTO-MARTINEZ:	YES

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12/3/25

-NOT OFFICIAL UNTIL COUNCIL ACTS-