

Agenda Report

DATE: OCTOBER 9, 2006
TO: DEFERRED COMPENSATION PLAN TRUSTEES
FROM: DEFERRED COMPENSATION OVERSIGHT COMMITTEE
SUBJECT: CITY OF PASADENA DEFERRED COMPENSATION PLAN
PERFORMANCE REVIEW – PERIOD ENDING JUNE 30, 2006

RECOMMENDATION

It is recommended that the Deferred Compensation Plan Trustees receive the performance review of the City's Deferred Compensation Plan for the period ending June 30, 2006.

BACKGROUND

The City of Pasadena offers its employees the opportunity to participate in a Deferred Compensation Plan. The Director of Finance serves as the Plan Administrator and is responsible for day-to-day management of the program. The Deferred Compensation Oversight Committee, which consists of three members elected by current city employees participating in the plan, and two members appointed by the City Council, provide oversight and direction. The members of the City Council serve as Plan trustees and have ultimate responsibility for the Plan. Each of these parties has a fiduciary obligation to ensure that participant assets are managed in an appropriate fashion.

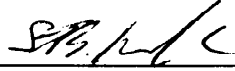
In order to ensure that investment options in the Plan are within the parameters established by the Deferred Compensation investment policy, the City contracted with the firm of Arnerich and Massena to perform semi-annual evaluations (2nd and 4th calendar year quarters) of each investment option contained in the Plan. By way of this report, the evaluation for the period ending June 30, 2006 is hereby transmitted to the Plan Trustees.

As a result of this performance review the Deferred Compensation Oversight Committee decided to terminate the Hartford Mortgage Backed Securities Fund, due to ongoing poor performance, and map the assets to the Hartford Total Return Bond Fund.

FISCAL IMPACT

This report is for information only.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "S. Mermell", written over a horizontal line.

Steve Mermell

Chair, Deferred Compensation Oversight Committee