

**CITY OF PHILADELPHIA
BOARD OF PENSIONS AND RETIREMENT
Meeting of August 21, 2013**

MINUTES

On August 21, 2013, Paula Weiss called the Regular Meeting of the Board of Pensions and Retirement to order at 9:03 a.m. in the Board's Conference Room.

Present: Paula Weiss
Harvey Rice
Brian Albert
Celia O'Leary
Carol Stukes-Baylor
Ronald Stagliano
Andrew Thomas
Veronica Pankey
Hilary Cornell

Also Attending: Francis Bielli, Mark Murphy, Shamika Taliaferro – Board of Pensions
Sumit Handa, Christopher DiFusco, Brad Woolworth – Investment Unit
James Leonard, Ellen Berkowitz, Katherine Mastrobuoni – Law Dept.
Kelly Avek, Associate, JP Morgan
Christian Dunbar, Wells Fargo
Jake Walthour - Cliffwater

Paula Weiss stated that the first order of business was the consideration of the Minutes of July 25, 2013.

Ms. Weiss stated that a correction was already made to **Tanisha Ward** on **page 4** of the Minutes. The motion to approve said 7-0 and has been corrected to **8-0**.

Ronald Stagliano made a motion to approve the Minutes of July 25, 2013. Brian Albert seconded the motion.

The motion to approve the Minutes of July 25, 2013 carried unanimously 8-0.

CONSIDERATION OF (205) PENSION APPLICATIONS AND (65) WITHDRAWAL APPLICATIONS

Brian Albert made a motion to approve. Carol Stukes Baylor seconded the motion.

The motion to approve carried unanimously 8-0.

APPLICATION FOR SERVICE-CONNECTED DISABILITY BENEFITS

Case of Charles Loving, Application for Service-Connected Disability Benefits – Plan “Y”

This is an application by Charles Loving, former Laborer, Streets Department, for Service-Connected Disability Benefits in Plan “Y”.

Mr. Loving sustained an injury while working when he stepped and fell into a ditch and injured his hip. His date of injury is July 12, 2011.

Ronald Stagliano made a motion to approve. Andrew Thomas seconded the motion.

The motion to approve carried unanimously 8-0.

Case of Michael Palmer, Application for Service-Connected Disability Benefits – Plan “Y”

This is an application by Michael Palmer, former Asphalt Raker, Streets Department, for Service-Connected Disability Benefits in Plan “Y”.

Mr. Palmer sustained an injury while working on several occasions when a vehicle hit him on the outside of his hip and knee. Also, he was injured when he tore his shoulder muscle while working with his equipment. His dates of injury include August 2, 2007, August 3, 2007 and June 29, 2011.

Carol Stukes Baylor made a motion to approve. Veronica Pankey seconded the motion.

The motion to approve carried unanimously 8-0.

Case of Sol Rodriguez, Application for Service-Connected Disability Benefits – Plan “Y”

This is an application by Sol Rodriguez, former Youth Detention Counselor 2, Department of Human Services, for Service-Connected Disability Benefits in Plan “Y”.

According to the member, she sustained illnesses over a number of years, from December 31, 2001 through January 22, 2012.

Hilary Cornell made a motion to deny. Brian Albert seconded the motion.

The motion to deny carried unanimously 4-0-4.

PENSION DISQUALIFICATION

Case of April Shaynick – Pension Disqualification, Plan “B”

April Shaynick was hired on June 22, 1998 with the City of Philadelphia Police Department. She was terminated effective December 31, 2012, after attaining 14 years, 5 months and 14 days of credited service. She is not collecting any benefit at this time.

Inspector General Amy Kurland requested that the Board consider disqualifying Ms. Shaynick from receiving a pension. She provided documentation concerning the conviction of Ms. Shaynick on counts of insurance fraud, theft by deception, tampering with a public record/information, and leaving the scene of an accident.

The criminal complaint reflected that Ms. Shaynick wrote the police report used to support the insurance claim she fraudulently submitted to Allstate after she struck a parked vehicle and left the scene of the accident. Ms. Shaynick pled guilty to the crimes outlined above.

On July 26, 2013, Ellen Berkowitz, Deputy City Solicitor, opined Ms. Shaynick’s crimes trigger the forfeiture and disqualification provisions of the Philadelphia Code and the Public Employee Pension Forfeiture Act. Based on the convictions of Theft by Deception, Tampering with a Public Record, and Insurance Fraud, the Law Department recommends that Ms. Shaynick be disqualified from pension eligibility.

Ms. Berkowitz advises the Board must vote on the following:

- Whether Ms. Shaynick should be permanently disqualified and terminated from pension eligibility;
- Whether Ms. Shaynick’s pension contributions should be retained for payment of any applicable outstanding court-ordered fines and restitution.

Attachments from the Law Department, Inspector General’s Office and Common Pleas Court were submitted to the Board for review.

Harvey Rice made a motion to permanently disqualify from pension eligibility. Hilary Cornell seconded the motion.

The motion to permanently disqualify and terminate from pension eligibility carried unanimously 8-0.

Hilary Cornell made a motion to retain contributions for payment of court-ordered fines and restitution. Brian Albert seconded the motion.

The motion to retain contributions for payment of outstanding court-ordered fines and restitution carried unanimously 8-0.

OLD BUSINESS

Case of Russell L. Ferrante, Application for Service-Connected Disability Benefits - Plan “B”

This case was **denied** at the March 24, 2011 Board meeting. Mr. Ferrante appealed that decision and a hearing was held on October 19, 2011. Mr. Ferrante invoked the Board’s “Sammons” rule in this appeal. His case was **denied** at the January 5, 2012 board meeting. He appealed his case to the Court of Common Pleas which affirmed the decision of the Board of Pensions on December 21, 2012. Counsel for Mr. Ferrante submitted a letter to the Board requesting reconsideration due to the availability of additional evidence. The Board granted Mr. Ferrante’s motion for Reconsideration at the February 28, 2013 meeting and deferred the case to a hearing panel.

Brian Albert made a motion to deny. Albert D’Attilio seconded the motion. The motion to deny failed 2-5-1.

Ronald Stagliano made a motion to approve. Veronica Pankey seconded the motion.

The motion to approve carried 5-2-1.

Case of Harolyn Swintz, Deceased, Application for Survivorship Option 2 Benefits – Plan “Y”

This case was **denied** at the February 28, 2013 Board Meeting. A Hearing Panel was held on July 17, 2013.

The Hearing Panel votes are as follows:

Ms. Celia O’Leary: Recommend denial.
 Unfortunately, no evidence was present to support a conclusion that the retiree elected Option 2. All documents available showed that Option 1 was elected by Ms. Swintz.

Mr. Harvey Rice: Recommend denial.
 Retiree chose Option 1.

Ms. Carol Stukes-Baylor: Recommend denial.

The history of the case is as follows:

Case of Elizabeth Majersky, Deceased, Application for Survivorship Benefits – Plan “J”

This case was **tabled** at the July 26, 2013 Board meeting at the request of Trustee Stukes-Baylor for further information.

Ms. Lisa Majersky submitted additional documentation including tax statements, social security statements, doctors’ diagnosis, Prudential Health Insurance bills and diagnosis, Request for Continuation of Prudential coverage and Pennndel, PA insurance invoice.

The history of the case is as follows:

This is an application submitted by Lisa Majersky, a disabled adult child of Elizabeth Majersky.

Elizabeth Majersky retired September 15, 1988; she died December 12, 2012. At the time of retirement, Ms. Majersky elected survivorship option 4. Elizabeth Majersky’s husband Ernest Majersky died December 3, 2006.

Lisa Majersky is applying on her own behalf. If approved, Ms. Majersky would be eligible to receive a monthly survivorship benefit of \$715.00.

Carol Stukes Baylor made a motion to approve. Veronica Pankey seconded the motion.

The motion to approve carried unanimously 8-0.

NEW BUSINESS

Executive Director’s Report – Mr. Bielli updated the Board on the following issues.

- The Special Pension Commission Report was approved by the Special Pension Commission on August 20, 2013. The binder with all the exhibits and attachments will be copied by Central Duplicating and sent to the applicable legislative body, as well as the Mayor and City Council President. It should be done by the end of August or early September.
- PHDC – The PHDC contribution issue may be on the September Board agenda. Specifically, the question before the Board is whether or not the contribution amount from PHDC should be made retroactive to July 1, 2012? Council legislation created the ability of the parties (PHDC and Pensions) to agree whether to make the new payment formula retroactive.

- Pension Modernization Project - The RFP for the pension system modernization project is out and the responses are expected back in early Fall. Mr. Bielli put together a working group for the project. Most of the work will be done by staff and the Law Department. In addition, the working group will coordinate with the Legislative Subcommittee on updating the Code and Regulations. Mr. Bielli suggested selecting volunteers for a new legislative subcommittee as this will be a large time commitment.

Ms. Weiss stated she would stay on the subcommittee as well Ms. Pankey, Mr. Stagliano, and Mr. Rice. She will send around proposed dates in mid-September and try to set something up.

OLD BUSINESS

Mr. Stagliano asked for an update on the Roth 457 deduction issue. He would like to report back to his members whether or not this is going to be done.

Mr. Bielli stated that he has met with people from Payroll who say that it is an OIT issue and that they are having a difficult time with the payroll system and adding another deduction. He has stressed the impact of this with the highest levels of Payroll and has received word from Mr. Oswald that we should be getting an update with a timeframe on this soon.

Litigation Summary – Ms. Mastrobuoni stated that Raymond Johnson filed a brief with the Commonwealth Court that wasn't coherent. The appeal was dismissed and closed due to the Appellant's failure to comply with the Court order.

Business and Education Travel Request - Carol Stukes Baylor made a motion to approve the trustees to attend the PAPERS conference September 12-13, 2013 and the Public Safety (NCPERS) Conference October 27-30, 2013. Ronald Stagliano seconded the motion.

The motion to approve the elected trustees for the PAPERS Conference and the Public Safety (NCPERS) conference carried 4-0-4.

Ronald Stagliano made a motion to adjourn. Brian Albert seconded the motion.

The motion to adjourn carried unanimously 8-0.