

THE BOARD OF PENSIONS AND RETIREMENT
DEFERRED COMPENSATION PLAN COMMITTEE MEETING
JANUARY 24, 2013

MEETING MINUTES

There being a quorum, Paula Weiss, Esquire, Alternate Board Chair, called the Deferred Compensation Plan Committee Meeting to order at 9:25 a.m., in the Board Conference Room, 2 Penn Center Plaza, 16th Floor.

Present:

Paula Weiss, Esquire, Alternate Board Chair
Harvey Rice, Esquire, Alternate, First Deputy City Controller
Brian Albert, Alternate
James Leonard, Esquire, Alternate
Celia O'Leary, Alternate, Deputy Director of Human Resources
Carol G. Stukes-Baylor, Employee Trustee
Andrew P. Thomas, Employee Trustee
Veronica M. Pankey, Employee Trustee
Folasade A. Olanipekun-Lewis, Non-Voting Board Member

Francis X. Bielli, Esquire, Executive Director
Mark J. Murphy, Deputy Executive Director:
Brad Woolworth, Deputy Chief Investment Officer
John Foulkes, Esquire, Investment Officer
Dominique A. Cherry, Investment Officer
Daniel Falkowski, Investment Officer

Also Attending:

Christopher DiFusco, Esquire, Law Department
Ellen Berkowitz, Esquire, Law Department
Amy Hummler, Esquire, Intern, City Solicitor
Daniel Stern, Cliffwater
David Sharer, ICMA-RC
Krista Noel, ICMA-RC
Brad Nyce, ICMA-RC
Sabrina Wilkes, ICMA-RC
Fran Burns, PICA
Will Greene, Loop Capital
Michael Teiper, CBS, Channel 3
Steve Tawa, KYW 1060, News Radio
Sean Walsh, Philadelphia Daily News

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Agenda Item #1 – Approval of Minutes of December 20, 2013

Ms. Weiss opened the meeting and requested a motion to approve the Minutes of December 20, 2013. Mr. Albert made the motion. Ms. O'Leary seconded. The motion passed.

Agenda Item #2 – Deferred Compensation Plan Update/Activity

Ms. Cherry informed that the Deferred Compensation Plan Outreach Subcommittee review was scheduled to have a follow-up meeting in two weeks. She advised there was an update regarding the Fund transition that took place on January 18, 2013, and Ms. Noel would provide the update.

Ms. Noel updated the Board about the recent Fund activity change that was effective Friday, January 18, 2013, and that the Board approved in November. Ms. Noel advised that after ICMA-RC completed the fund mapping, during reconciliation, they discovered that several funds had been mapped incorrectly. On Tuesday, all transactions were reposted to January 18, 2013. All participants accounts were corrected, and the transactions would not appear on statements.

She said that ICMA-RC informed their call center and advised as to how to address participant calls. They will be drafting a notification to the people who were affected. She advised that 958 participants were affected.

Mr. Nyce reported that for the end of December there were 16,643 total participants. Total Plan assets were \$663,070,735. There were 58 enrollments for the month.

Ms. Weiss asked when the Outreach Subcommittee was meeting, again, and when did Staff anticipate hearing from them regarding the activity that they would be proposing. Ms. Cherry said that she had been meeting with Ms. Noel. There were many changes in the works and the plan was to have a draft of all materials for February to present to the Subcommittee. Provided all materials were approved by Subcommittee, Staff would present to the Board at the March Board meeting.

Mr. Bielli asked how the City's participation compared to other Deferred Compensation plans and other pension plans. Ms. Noel said that it was higher than the average rate for similar plans.

Mr. Stagliano noted that since ICMA-RC came on Board, participation went up by 2,000 to 3,000 people, and Mr. Bielli expressed the Board's appreciation, because they were getting several questions about it, and it was good to be able to defer to someone who answered questions.

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Mrs. Stukes-Baylor asked for the status of Plan 10 related to Deferred Compensation in implementing it, what funds would be in the Plan, and was it the regular Plan or separate than the Deferred Compensation structure. Mr. Bielli said that the Plan was implemented and included the same funds as Deferred Compensation. There were three participants in the Plan.

Mrs. Stukes-Baylor asked Mr. Bielli if there were new hires through the City or Non-representatives not going to Plan 10. He said that people going into Plan 10 were required to go into it. The Register of Wills employees, and until City Council moved forward with the arbitration decision, Police, Fire and Deputy Sheriff were voluntary and in Plan 10.

Mr. Stagliano asked Mr. Bielli about Correction Officers. Mr. Bielli said that they were mandatory in Plan 10. Correction Officers and court employee awards that were entitled to the legislation were amended to the current legislation sent to cancel contribution rates of Plan Y. That was why they were waiting. Non-representatives were not required to go into Plan 10. This was new with the legislation that was sent to City Council.

Ms. Weiss asked Mr. Bielli if there was outreach to Plan 10 employees. Mr. Bielli said, yes, that there was a time line for Roth (IRA) 457 update. ICMA-RC 457 was done. The difficulty was getting Finance and Payroll to adjust the payroll system for the deductions, and Mr. Oswald informed that Payroll was working on it, and that a ready date would be by March.

Mr. Thomas asked if they received 457 and Plan participants, would the City match. Mr. Bielli said that the City would match under Plan 10, and up to 1.5% of annual salary. It was Roth 457 and considered a Deferred Compensation Plan.

Mrs. Stukes-Baylor asked why would it be a Plan instead of like the IRA, and call it 457, and not Roth. Mr. Bielli said that it was Roth, but within the 457 Deferred Compensation Plan. Ms. Noel added that it was a separate contribution source within 457.

Mrs. Stukes-Baylor asked if they decided to join the Deferred Compensation instead of the Roth, would it be an issue. Ms. Weiss said that they could, but would miss the City's contribution.

Ms. Noel added that the vesting date was retroactive, and they would miss out of the match when they chose not to participate.

At 9:48 a.m., Ms. Weiss requested a motion to adjourn the Deferred Compensation Plan Committee Meeting. Mr. Stagliano made the motion. Mr. Rice seconded. The motion passed.

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The Deferred Compensation Plan Committee of the Board of Pensions and Retirement
approved the Minutes on _____.

Paula Weiss, Esquire
Alternate Board Chair