

THE BOARD OF PENSIONS AND RETIREMENT
DEFERRED COMPENSATION PLAN COMMITTEE MEETING
JUNE 26, 2014

MEETING MINUTES

There being a quorum, Paula Weiss, Esquire, Alternate Board Chair, called the Deferred Compensation Plan Committee Meeting to order at 9:20 a.m., in the Board Conference Room, 2 Penn Center Plaza, 16th Floor.

Present:

Rob Dubow, Finance Director
Paula Weiss, Esquire, Alternate, Deputy Director of Finance
William Rubin, Alternate, First Deputy City Controller
Francois Dutchie, Esquire, Divisional Deputy City Solicitor
Brian Albert, Alternate, Deputy Human Resources Director
Albert D'Attilio, Director of Human Resources
Carol G. Stukes-Baylor, Employee Trustee
Ronald Stagliano, Employee Trustee
Andrew P. Thomas, Employee Trustee
Veronica M. Pankey, Employee Trustee

Francis X. Bielli, Esquire, Executive Director
Shamika Taliaferro, Deputy Pension Director
Sumit Handa, Esquire, Chief Investment Officer
Brad Woolworth, Deputy Chief Investment Officer
Christopher DiFusco, Esquire, Director of Investments
Dominique A. Cherry, Investment Officer
Daniel Falkowski, Investment Officer
Aubrey Hassan, Investment Analyst
Kristen Bair, Investment Analyst

Also Attending:

Jo Rosenberger-Altman, Esquire, Divisional Deputy City Solicitor
Katherine Janoski, Esquire, Assistant City Solicitor
Mark J. Murphy, Board of Pensions
Patricia Fitzgerald, Human Resources Program Specialist
Jackie Dunn, Finance
Daina Stanford, Administrative Assistant
Donna Darby, Clerk-Stenographer II
Carmen Heyward, Clerk-Stenographer II
Randy McLaurin, ICMA-RC
Bradley Nyce, ICMA-RC
Mark Johnson, Cliffwater
Stephen Nesbitt, Cliffwater

THE BOARD OF PENSIONS AND RETIREMENT
DEFERRED COMPENSATION PLAN COMMITTEE MEETING
JUNE 26, 2014

Ken Kent, Cheiron
Anu Patel, Cheiron
Karen Zangara, Cheiron
Fred Wright, AFSCME District Council #47
Will Greene, Loop Capital
Ray Jackson, Franklin Park
Brad Atkins, Franklin Park
Terry A. Williams, Sturdivant & Company, Inc.
Joe DiStefano, Philadelphia Inquirer
Pam McCue, Finance Investment News
Tyler Schantz, Mayor's Internship Program

THE BOARD OF PENSIONS AND RETIREMENT
DEFERRED COMPENSATION PLAN COMMITTEE MEETING
JUNE 26, 2014

Agenda Item #1 – Approval of Minutes of June 3, 2014

Ms. Weiss opened the meeting and requested a motion to approve the June 3, 2014, Minutes. William Rubin made the motion. Brian Albert seconded. There was one abstention. The motion passed.

Agenda Item #2 - Deferred Compensation Plan Update/Activity Report

Ms. Cherry updated the Board regarding the meetings and internal work of the Education/Outreach Subcommittee, Staff and ICMA-RC. Their fourth meeting was held on Wednesday, June 25th. They are working with a lot of materials and projects with targeted departments. They will be meeting with the Subcommittee in mid-July.

She informed the Board that ICMA-RC was present to talk about the electronic enrollment and deferral options.

Mr. Nyce reported that as of the end of May, the City Deferred Compensation Plan had 17,741 participant accounts, which was an increase of 66 over the previous month. There was \$834,631,295 in assets. There were 114 enrollments for the month of May.

Mr. Stagliano talked about the new class held at the Police Academy on Monday with 100% enrollment. Mr. Nyce added that 29 out of 29 enrolled into the Plan.

Agenda Item #3 – ICMA-RC Electronic Deferrals and Enrollment Presentation

Mr. McLaurin presented ICMA-RC's on-line electronic enrollment and deferral exchange features, and walked the Board members through the specifics of how participants would go through the enrollment process. He detailed the differences in the way existing members and new members would use the secured website when logging in, enrolling, selecting investment options, changing contribution amounts and making changes to deferral allocations.

He advised the Board about the Roth IRA component, where ICMA-RC will be working closely with the City to adopt the Roth IRA provision. Mr. Thomas asked Mr. McLaurin if ICMA-RC's system could show the dollar amount that would appear on their paystubs from the percentage amount that they entered. Mr. McLaurin answered that currently,

THE BOARD OF PENSIONS AND RETIREMENT
DEFERRED COMPENSATION PLAN COMMITTEE MEETING
JUNE 26, 2014

ICMA-RC did not have that feature, and they did not have salary information. At this point, ICMA-RC would not be able to do that.

Board discussion focused on communication within the City departments and ICMA-RC to facilitate challenges the participants might encounter.

Mrs. Stukes-Baylor asked if the log-on process could be changed to have participants use only the last four digits of their social security number, rather than the entire number. Mr. McLaurin responded that ICMA would need additional information from the City, however, he would look into this further. Mr. McLaurin cautioned that the system did not replace paperwork. It was an additional process for employees who did not want to use paper to enroll. It was not replacing the existing process.

Mr. D'Attilio asked Mr. McLaurin if there was a mis-match between the first and last name in the City's record and ICMA-RC's record, would that create a problem when the two systems communicate? Mr. McLaurin said that ICMA-RC had a file feed process and a variance of information would show on a feedback file that the City provided them, through Personnel, when an employee changed their address, then they updated that information. Mr. Nyce said that he worked closely with people enrolling in the Plan for many years, and he had never seen a rejection because of a name variation. He assumed that it would be the same for the electronic feature. If it went forward, they could monitor.

Mr. D'Attilio added that his hope was that with the payroll and social security numbers, the variation on the name would not be an issue.

Mr. Stagliano asked Mr. Bielli for an update about the status of the 457 Roth IRA. He answered that Staff made more progress in the last week and a half than in the last two years, thanks to the City's accountants and the Payroll Departments. They had been meeting with ICMA-RC within the last two weeks. It was moving quickly, and he was more optimistic than six months ago that it would get done very soon.

Mr. McLaurin highlighted the default system that alerts the participant about how the system would default to the age appropriate target date fund, when they failed to select an investment option.

Mr. Nyce highlighted how the feature allowed existing participants to make changes to their contributions by logging onto the 457 Philly Website.

Mr. D'Attilio expressed his assumption that there was an interface between ICMA-RC's system and the City's payroll system. Mr. McLaurin's response was that he was correct

THE BOARD OF PENSIONS AND RETIREMENT
DEFERRED COMPENSATION PLAN COMMITTEE MEETING
JUNE 26, 2014

and that ICMA-RC would be feeding them a file to inform about all employees that made deferral changes.

Mr. McLaurin briefly highlighted ICMA-RC's multi-layered, behind the scene, security protocols and systems.

Mr. Rubin asked Mr. McLaurin if they were the only two options that were going to be on line. Mr. McLaurin responded that these were the first two options, and that they would like to continue to work very closely with the Board in introducing new features in the future.

Mr. McLaurin concluded in saying that ICMA-RC was very happy for the opportunity and would work closely with the Board as they were rolling out the interfaces.

At 9:38 a.m., Mr. Dubow requested a motion to adjourn the Deferred Compensation Plan Committee Meeting. Brian Albert made the motion. William Rubin seconded. The motion passed.

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

Rob Dubow, Finance Director
Board Chair