

THE BOARD OF PENSIONS AND RETIREMENT
DEFERRED COMPENSATION PLAN COMMITTEE MEETING
JUNE 27, 2013

MEETING MINUTES

There being a quorum, Paula Weiss, Esquire, Alternate Board Chair, called the Investment Committee Meeting to order at 9:45 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
Harvey Rice, Esquire, Alternate, First Deputy City Controller
James Leonard, Esquire Alternate, Chief Deputy City Solicitor
Brian Albert, Alternate, Deputy Human Resources Director
Celia O'Leary, Alternate, Deputy Director of Human Resources
Carol G. Stukes-Baylor, Employee Trustee
Ronald Stagliano, Employee Trustee
Andrew P. Thomas, Employee Trustee
Folasade Olanipekun-Lewis, City Council Designee

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

Also Attending:

Katherine Mastrobuoni, Esquire, Assistant City Solicitor
Ellen Berkowitz, Esquire, Deputy City Solicitor
Daina Stanford, Administrative Services Supervisor
Carmen Heyward, Clerk Stenographer II
Donna Darby, Clerk Stenographer II
Brad Nyce – ICMA-RC
Sabrina Wilkes – ICMA-RC
Jacob Walthour, Cliffwater
Robert O'Donnell, Esquire, O'Donnell Associates
Will Greene, Loop Capital Management
Charles Jones, Executive Director, Sinking Fund Commission

**THE BOARD OF PENSIONS AND RETIREMENT
DEFERRED COMPENSATION PLAN COMMITTEE MEETING
JUNE 27, 2013**

Michael Banks, Greentree Brokerage
Kung Kun Chen, Intern, Greentree Brokerage
Robert Valleio, Intern, Greentree Brokerage

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Ms. Weiss called to order the Deferred Compensation Plan Committee Meeting for June 27, 2013.

Agenda Item #1 – Approval of Minutes of May 22, 2013

Ms. Weiss requested a motion to approve the Minutes of May 22, 2013. Mr. Albert made the motion. Mr. Leonard seconded it. All were in favor with the exception of one abstention by Mr. Stagliano. The motion passed.

Agenda Item #2 – Deferred Compensation Plan Update/Activity Report – May 2013

Ms. Cherry stated that Staff had conducted some research on Socially Responsible Funds. She noted that there were about four or five funds that were identified for further due diligence should the Board decide to have Staff move forward to obtain additional information.

Ms. Cherry said Staff and ICMA-RC will be meeting on July 8, 2013 to discuss Education/Outreach. They will be meeting to make sure there are concrete recommendations to the subcommittee to make better use of the subcommittee's time. Subsequent to that meeting, Staff would schedule a subcommittee meeting with the final recommendations.

Ms. Weiss was concerned about the high number of loans. She was concerned that people will use it as a revolving loan process as opposed to a savings plan for retirement. She wanted to know if outreach and education planned to focus on explaining to members the purpose of the loan program which includes the pros and cons. She stated taking out loans can be detrimental to the whole process of saving for retirement.

Mr. Stagliano added not having a raise and a contract for five years is detrimental to the program and this contributes to the high rate of loans.

Mr. Nyce said the general theory behind the Education Outreach Committee is to come up with information to help target outreach campaigns, for instance, increasing enrollments, letting people know about the detriment of loans or increased asset allocations in the investment options, etc.

Ms. Stukes-Baylor said the last time they met she thought it was clear to ICMA on what the Board wanted to see. The Board was waiting for ICMA to finalize it. She said she was confused and wanted to know if anyone had the minutes from the previous meeting.

Mr. Nyce said a new PowerPoint presentation was put in place. He said they made the changes to what the committee requested.

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JUNE 27, 2013**

Mr. Murphy said Ms. Stukes was correct. He said the committee was unanimous about the PowerPoint. He explained what they are doing at this committee is tightening up some of the details. Mr. Murphy said there were no minutes and they were going by what he and Mr. Woolworth wrote down including some of the data requests Ms. O'Leary had discussed related to member metrics

Ms. Stukes-Baylor said she made a suggestion that people tend to think they can't afford to contribute at the recommended level of savings, but if you encourage them to start low, ten or twenty dollars, people may want to invest more over time.

Mr. Rice voiced his concern about the length of time it took for follow-up on the Subcommittee's suggestions.

Ms. Weiss inquired about the timeframe.

Mr. Woolworth said they wanted to make sure everything was on point. He said a meeting should be set up with the Subcommittee mid-July.

Mr. Bielli wanted to know why ICMA-RC had been without Ms. Noel for a period of time and inquired about her replacement. Mr. Bielli stated the suggestions that were made at the subcommittee were specific suggestions based on the presentation by ICMA-RC, not the presentation the Board created and that ICMA-RC had to make the changes. He wanted to know why ICMA-RC didn't come to the Board when they were ready, present the information to the Board, and then reach out to schedule a subcommittee meeting.

Mr. Nyce said ICMA-RC was in the process of interviewing candidates for Ms. Noel's replacement. He said for more detailed information, he'd have to get back to the Board.

Mr. Bielli stated to Mr. Nyce he would like to see a little more urgency by ICMA in responding to the Board's needs.

Mr. Nyce said he would pass the information to upper management.

Ms. Wilkes said ICMA-RC probably did get a little more responsibility with Ms. Noel and the committee meeting but they thought that Ms. Noel was handling it. Ms. Wilkes stated they did not get an advance notice that Ms. Noel was leaving.

Mr. Belli commended ICMA-RC on the great job they do. He said, However, sometimes it seems we get short consideration from the Washington office.

Mr. Nyce said he would definitely pass those concerns on.

**THE BOARD OF PENSIONS AND RETIREMENT
DEFERRED COMPENSATION PLAN COMMITTEE MEETING
JUNE 27, 2013**

Mr. Nyce reported at end of May there were 16,923 participants in the plan. Total assets as of the end of May were \$717,779,964. There were 107 enrollments in the plan for the month.

Mr. Stagliano inquired about the Police Academy.

Mr. Nyce said there were seventeen 21-23 year olds that signed up.

Mr. Bielli complimented Mr. Nyce and Ms. Wilkes. He said the service they provide at the local level is tremendous.

Ms. Stukes-Baylor said Ms. Wilkes presented to AFSCME District Council 47 yesterday and she did an excellent job. They were pleased.

At 9:56 a.m., Ms. Weiss requested a motion to adjourn the Deferred Compensation Plan Committee Meeting. Mr. Albert made the motion and Ms. O'Leary seconded it. All were in favor. The motion passed.

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

Paula Weiss, Esquire
Alternate Board Chair