

**THE BOARD OF PENSIONS AND RETIREMENT
DEFERRED COMPENSATION PLAN MEETING
February 22, 2018**

There being a quorum, Jacqueline Dunn, alternate Board Chair, called the Deferred Committee Plan Meeting to order at 9:52 a.m., in the Board Conference Room, 2 Penn Center Plaza, 16th Floor.

Present:

Rob Dubow, Finance Director
Jackie Dunn, Alternate, Chief of Staff, Office of the Director of Finance
Ronald Stagliano, Vice Chairman, Trustee
Pedro Rodriguez, Director of Human Resources
Brian Abernathy, Alternate, First Deputy Managing Director
Francois Dutchie, Chief Deputy City Solicitor
Rebecca Rhynhart, City Controller
Carol G. Stukes-Baylor, Trustee
Veronica M. Pankey, Trustee
Brian Coughlin, Trustee

Francis X. Bielli, Esquire, Executive Director
Christopher R. DiFusco, Esquire, Chief Investment Officer
Bernard J. Buckley Jr., Deputy Chief Investment Officer
Shamika Taliaferro, Deputy Director of Pensions
James Cousounis, Chief Compliance Officer
William Rubin, Audit Manager
Dominique A. Cherry, Senior Investment Officer
Tyrone Jordan, Senior Investment Officer
Eryn-Ashlei Bailey, Investment Officer
Kristyn Bair, Senior Investment Analyst

Also Attending:

Adam Coleman, Esquire, Assistant City Solicitor
Ellen Berkowitz, Esquire, Senior Attorney
Sharolyn L. Murphy, Esquire, Senior Attorney
Rosamond R. Howard, Senior Director of Strategy & Policy Analysis
Kellan White, First Deputy Controller
Lavonia Jenkins, Administrative Technician
Neshea Bumpus, Clerk Typist I
David Smith, Marquette
Bradley Nyce, Nationwide
Will Green, Loop Capital
Ken Kent, Cheiron
Anu Patel, Cheiron

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Agenda Item #1 – Approval of the Minutes of February 22, 2018 Board Meeting

Ms. Dunn requested approval of the Deferred Compensation Meeting Minutes for February 22, 2018. Mr. Coughlin made the motion to approve the minutes. Mr. Stagliano seconded. The motion carried unanimously.

Agenda Item #2 – Deferred Compensation Plan Update/Activity Report – January 2018

Mr. Nyce provided the updates for the month of January. Total participants accounts were 21,972. The total plan assets administered by Nationwide were \$1,155,074,207. Mr. Nyce added that there were a little over 10,000 participants who had set up web profiles. Nationwide conducted 24 workshops throughout January with 410 total attendees at various locations. There were also 265 new enrollments into the 457 plans for the month of January.

Ms. Pankey asked if any crossing guards had enrolled into the plan since they were interested in the benefit. Mr. Nyce stated there were a few but would check and confirm the exact number. Mr. Bielli said he believed a few had enrolled.

Ms. Dunn asked for any questions. There were none.

Agenda Item #3 – 4th Quarter 2017 Deferred Compensation Plan Investment Performance

Ms. Cherry stated as of December 31, 2017, total assets in the Deferred Compensation 457 Plan were \$1,123,443,913. Total 401A assets were \$323,331. As of January 31, 2018, total assets in each Plan were 1,154,741,487 and 332,720.

Ms. Cherry updated the Board on calendar year 2017 performance. Twenty-two out of 24 funds (about 92%) ranked above median for the calendar year and the longer-term periods of 3 and 5 years. She noted that Staff was closely monitoring the performances of the Dodge & Cox International Stock Fund and of the Allianz Small Cap Value Fund, but was not making a recommendation to take any additional action at this time.

Ms. Rhyhart and Ms. Howard inquired about the performance of both funds. Ms. Cherry provided an analysis of the long-term performance of both funds in conjunction with an explanation of Staff's due diligence and monitoring process.

Ms. Howard inquired about the Plan line-up, fees, prior fund terminations and use of a third party. Ms. Cherry explained that fees are a consideration in the fund line up among other factors. She advised that the Plan line-up follows industry best practices as confirmed by an annual review and partnership with a leading DC provider. Additionally, Staff requests monthly fund family updates from the Board's Third Party Administrator. Finally, Ms. Cherry noted that the

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Board has terminated fund managers in the past when appropriate based on performance or other factors.

Mr. Bielli added that Staff and the Board aim to avoid oversaturation and confusion for participants which is also an industry best practice.

Mr. Coughlin thanked Staff for their work and inquired about the stability of both firms. Ms. Cherry advised that there were no concerns.

Ms. Rhyhart thanked Ms. Cherry for her due diligence.

Mr. Bielli confirmed that Ms. Howard and Ms. Cherry shared a common goal of ensuring the funds were not having ongoing underperformance. He added that no action would be taken at this time, and acknowledged that Staff would make a different recommendation at any time should new concerns arise.

Ms. Dunn thanked Ms. Cherry for her presentation and diligence on behalf of the Board.

Agenda Item #4 – Vanguard Money Market Fund Report- 4th Quarter 2017

Ms. Cherry presented the report. As of December 31, 2017, total assets in the Vanguard Treasury Money Market Fund were \$415,403. Total income to the account through the 4th quarter was \$177,027. There were no expenses to report. Ms. Cherry asked if there were any questions. There were none.

Mr. Dubow asked if there were any new business or any old business. There were none.

At 10:40 a.m., Mr. Dubow requested a motion to adjourn the Deferred Compensation Plan Meeting. Ms. Pankey made the motion. Mr. Dutchie seconded. The motion passed.

The Deferred Compensation Plan Committee of the Board of Pensions and Retirement approved the Minutes on February 22, 2018.

Rob Dubow
Board Chair

