

**THE BOARD OF PENSIONS AND RETIREMENT
DEFERRED COMPENSATION PLAN MEETING
April 19, 2018**

There being a quorum, Jacqueline Dunn, Alternate, Chief of Staff, called the Deferred Committee Plan Meeting to order at 10:02 a.m., in the Board Conference Room, 2 Penn Center Plaza, 16th Floor.

Present:

Rob Dubow, Board Chair, Finance Director
Jacqueline Dunn, Alternate, Chief of Staff, Office of the Director of Finance
Ronald Stagliano, Vice Chairman, Trustee
Pedro Rodriguez, Director of Human Resources
Rebecca Rhynhart, City Controller
Brendan O'Rourke, Esquire, Interim Chief Deputy City Solicitor
Carol G. Stukes-Baylor, Trustee
Veronica M. Pankey, Trustee
Brian Coughlin, Trustee

Francis X. Bielli, Esquire, Executive Director
Christopher 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:

Kellan White, First Deputy Controller
Marsha Greene-Jones, Deputy Director of Human Resources
Ellen Berkowitz, Esquire, Senior Attorney
Sharolyn L. Murphy, Esquire, Senior Attorney
Lavonia Jenkins, Administrative Technician
Neshea Bumpus, Clerk Typist I
Jesus Jimenez, Marquette
Nat Kellogg, Marquette
Katie Moore, Nationwide
Jeffrey Francis, Nationwide
Emanuel Mahand, Nationwide
Bina Kumar, Nationwide

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Agenda Item #1 – Approval of the Minutes of March 28, 2018 Board Meeting

Ms. Dunn requested approval of the Deferred Compensation Meeting Minutes for March 28, 2018. Mr. Stagliano made the motion to approve the minutes. Ms. Stukes-Baylor seconded. The motion carried unanimously.

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

Mr. Stagliano questioned an error made by Nationwide in which money from the DROP fund was placed into the wrong recipient's account, how often these types of errors occur, and how the error occurred. Ms. Moore explained that Nationwide's quality control is over 99.5%, but it was a human error where the processor did not close out of the previous account screen prior to processing the DROP transaction. Mr. Stagliano asked if this mistake was discovered by Nationwide or by a third party. Ms. Moore stated that their team was behind in their quality control review and did not catch the error before Mr. Nyce was made aware of it. Ms. Moore stated the quality control procedures have since been enhanced. Mr. Rodriguez asked how long the money was in the wrong account. Ms. Moore advised that the money was deposited on February 15, 2018, and discovered and corrected on February 27, 2018. The participant was made whole with interest accrued from the 15th.

Ms. Rynhart asked what was the new turn around on quality control. Ms. Moore stated that quality control should be completed within 5 days. There is a daily meeting to discuss the aging of each transaction. Mr. Rodriguez asked if the recipient of the error noticed the amount deposited. Ms. Moore stated they did not notice however; the recipient was contacted to be made aware of the error and the deposit/withdrawal that would appear on their monthly statement.

Mr. Bielli asked why the recipient's statement would reflect the amount mistakenly deposited. Ms. Moore explained that as an auditing and recordkeeping matter, Nationwide must report the transaction since it was already processed.

Ms. Cherry provided a brief investment update. Staff had its annual meeting with Vanguard and requested a fund review. The target date funds now qualify for the Institutional Share Class in which the expense ratio would go from around 16 basis points to 9 basis points on those funds.

Ms. Kumar presented the activity report for the month of March. Total participant accounts were 22,141 of which 79% are actively contributing to the plan. The total plan assets administered by Nationwide were \$1,132,000,000. Ms. Kumar stated the 401A plan was at \$317,999 with 395 participants. Ms. Kumar mentioned the service and education activity; there were 21 workshops throughout 15 locations and about 498 consultations for the month of March with 233 active enrollments. The Police Academy event received a 99% enrollment ratio. Ms. Kumar stated

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there were approx. 300 new enrollments within the first quarter. Ms. Kumar stated that the call volumes have continued to decrease with about 46% of participants using their web accounts.

Mr. Bielli mentioned that Staff held a meeting with Nationwide regarding the Pension estimator that Nationwide would provide on the website. Mr. Bielli stated there will be more information provided at the May meeting.

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

At 10:13 a.m., Mr. Dubow requested a motion to adjourn the Deferred Compensation Plan Meeting. Mr. Rodriguez made the motion. Mr. Coughlin seconded. The motion passed.

The Deferred Compensation Plan Committee of the Board of Pensions and Retirement approved the Minutes on April 19, 2018.

Rob Dubow
Board Chair

