

**THE BOARD OF PENSIONS AND RETIREMENT  
DEFERRED COMPENSATION PLAN MEETING  
September 26, 2019**

There being a quorum, Rob Dubow, Board Chair, called the Deferred Committee Plan Meeting to order at 9:58 a.m., in the Board Conference Room, 2 Penn Center Plaza, 16<sup>th</sup> Floor.

Present:

Rob Dubow, Finance Director  
Jacqueline Dunn, Alternate, Chief of Staff, Office of the Director of Finance  
Ronald Stagliano, Vice Chairman, Trustee  
Rebecca Rhynhart, City Controller  
Kellan White, First Deputy Controller  
Marcel Pratt, City Solicitor  
Christopher Rupe, Alternate, Chief of Staff, Office of the Managing Director  
Marsha Greene-Jones, Alternate, Deputy Director of Human Resources  
Brian P. Coughlin, Trustee  
Carol Stukes-Baylor, Trustee  
Veronica M. Pankey, Trustee

Francis X. Bielli, Esquire, Executive Director  
Christopher DiFusco, Esquire, Chief Investment Officer  
Bernard J. Buckley Jr., Deputy Chief Investment Officer  
James Cousounis, Chief Compliance Officer  
Shamika Taliaferro, Deputy Director of Pensions  
William Rubin, Audit Manager  
Dominique A. Cherry, Head of Private Markets  
Tyrone Jordan, Senior Investment Officer  
Kristyn Bair, Investment Officer II  
Abdel-Aziz Ibrahim, Investment Officer

Also Attending:

Francois Dutchie, Chief Deputy City Solicitor  
Adam Coleman, Assistant City Solicitor  
Ellen Berkowitz, Esquire, Senior Attorney  
Sean McGrath, Law Department  
Sharolyn L. Murphy, Esquire, Senior Attorney  
Lavonia Jenkins, Administrative Assistant  
Neshea Bumpus, Clerk Typist I  
Brad Nyce, Nationwide  
Jeffrey Francis, Nationwide  
Bina Kumar, Nationwide  
Kweku Obed, Marquette Associates  
David Smith, Marquette Associates  
Gregory Leonberger, Marquette Associates  
Matthew Coyne, Torrey Cove  
David Fann, Torrey Cove  
Pam McCue, Financial Investment News  
Chris Rilling, Philly Divestment Coalition  
Anu Patel, Cheiron  
Brett Warren, Cheiron  
Jean Haskell, Granny Peace Brigade Philadelphia  
Helen Evelev, Granny Peace Brigade Philadelphia

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**Agenda Item #1 – Approval of the Minutes of August 22, 2019 Board Meeting**

Ms. Dunn requested approval of the Deferred Compensation Meeting Minutes for August 22, 2019. Mr. Stagliano made the motion to approve the minutes. Mr. White seconded. The motion carried unanimously.

**Agenda Item #2 – Deferred Compensation Plan Update/Activity Report – August 2019**

Ms. Kumar presented the activity report for the month of August 2019. Total participant 457 Plan accounts were 23,649 of which 18,789 are actively contributing to the plan. The total 457 plan assets administered by Nationwide were over \$1,256,000,000. Ms. Kumar stated the 401A Plan held over \$567,000 with 523 total participants.

She reported as of August a total of 634 participants contributed into the ROTH account and a total of 176 participants had contributed on a percentage of salary basis. Ms. Kumar added that of the 634 participants contributing into the ROTH account, 76% are union salary employees and 24% are per diem employees. Participants deferring to ROTH accounts represent all age ranges, with the most in the age group of 26-35.

Mr. Nyce described the service and education activity for the month of August. It included: 137 enrollments into the Plan; 229 one on one consultations; 64 consultations were conducted using the interactive retirement planner; and 37 group workshops at 17 locations with 342 attendees.

**Agenda Item #3 – 2<sup>nd</sup> Quarter 2019 Deferred Compensation Plan Investment Performance**

Ms. Cherry presented the 2<sup>nd</sup> quarter 2019 performance review. As of June 30, 2019, total assets in the Deferred Compensation 457 Plan were \$1,250,336,217. Total 401A assets were \$580,246.

Ms. Cherry reported twenty-one (21) of twenty-four (24) funds ranked above median. The three (3) funds that ranked below median in the three (3) and five (5) year periods were: TRowe Price Real Estate Fund, Ariel Appreciation Fund and Pru Jennison Small Company Fund. Ms. Cherry stated that Staff did not have actionable concerns with these funds but will continue to monitor their performance.

Mr. Coughlin asked why there was such a difference in participation in the Nationwide Guaranteed Fund in the 401A vs. the 457 Plan. Ms. Cherry explained that the 457 Plan has been in existence longer, and generally would have more assets. She noted that when looking at the percentages of participation against each plan, one factor is that the younger employees/ newer hires tend to enroll in the 401A Plan, which would allow them to be more aggressive in their fund choices, thus giving the Guaranteed Fund a lower percentage of participation. Additionally, the education efforts of the Board, Staff, and Nationwide over the years has drawn awareness to the high percentage of participation to this fund and concerns of suitability, resulting in reduction in participation significantly over the years, particularly in the 457 plan. Mr. Nyce added that Nationwide would provide an analysis of the 401A account by age to prove the difference. Mr. Coughlin supported the education efforts to employees. Mr. Bielli also noted the education efforts and offered that these percentages were significantly higher just a few years ago.

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Agenda Item #4 – Vanguard Money Market Fund Report – 2<sup>nd</sup> Quarter 2019

Ms. Cherry stated the balance of the account as of June 30, 2019 was \$664,337. She added that the standard practice is to issue distributions when the account balance reaches \$1 million. Total income through the second quarter was \$92,012. Total expenses through the second quarter were \$4,489.50, which were fees payable to outside legal counsel for legal advice on issues relating to Plan review and administration.

Mr. Dubow asked whether there were any additional questions. There were none.

**At 10:08 a.m., Mr. Dubow requested a motion to adjourn the Deferred Compensation Plan Committee Meeting. Mr. Stagliano made the motion. Mr. Coughlin seconded. The motion passed unanimously.**

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Rob Dubow  
Board Chair

