

**THE BOARD OF PENSIONS AND RETIREMENT
DEFERRED COMPENSATION PLAN MEETING
October 27th, 2016**

There being a quorum, Paula Weiss, Alternate, Board Chair, called the Deferred Compensation Committee Plan Meeting to order at 9:19 a.m., in the Board Conference Room, 2 Penn Center Plaza, 16th Floor.

Present:

Paula Weiss, Esquire, Alternate, Deputy Director of Finance
Ronald Stagliano, Vice Chair, Trustee
William Rubin, Alternate, First Deputy City Controller
Pedro Rodriguez, Director of Human Resources
Francois Dutchie, Esquire, Alternate, Divisional Deputy City Solicitor
Brian Abernathy, Alternate, First Deputy Managing Director
Carol G. Stukes-Baylor, Trustee
Veronica M. Pankey, Trustee
Brian Coughlin, Trustee

Francis X. Bielli, Esquire, Executive Director
Shamika Taliaferro, Deputy Director of Pensions
Bernard J. Buckley Jr., Deputy Chief Investment Officer
Christopher DiFusco, Esquire, Chief Compliance Officer
Dominique A. Cherry, Senior Investment Officer
Tyrone Jordan, Senior Investment Officer
Kristyn Bair, Investment Analyst

Also Attending:

Brian Albert, Alternate, Deputy Human Resources Director
Brendan O'Rourke, Esquire, Interim Chief Deputy City Solicitor
Ellen Berkowitz, Esquire, Senior Attorney
Adam Coleman, Esquire, Assistant City Solicitor
Jo Rosenberger-Altman, Esquire, Divisional Deputy City Solicitor
Lavonia Jenkins, Administrative Technician
Erica Marable, Clerk Typist I
Bradley Nyce, ICMA-RC
Kweku Obed, Marquette
David Smith, Marquette
Eric Stevenson, Nationwide
Keith Wild, Nationwide
Will Greene, Loop Capital
Robert O' Donnell, O'Donnell Associates
Pam McCue, Finance Investment News
Toni Robbins, Delaware Investments

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Agenda Item #1: Approval of the Minutes for September 26th, 2016

Ms. Weiss requested approval of the Minutes for September 26th, 2016. Mr. Coughlin made the motion. Mr. Stagliano seconded. The motion passed.

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

Ms. Cherry said there were no updates from Investments. Mr. Nyce provided the plan updates for the month of September, total participants were 20,614. There were 110 new enrollments for the month of September. Total plan assets are \$983,499,457.

Mr. Nyce said the third email as part of the “Your Starting Point” series was sent out October 3rd, titled “Ready, Set, Go.”

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

Agenda Item #3: Third Party Administrator Search Recommendation

Ms. Cherry gave the update of the TPA search. Due to the contract expiration of the Plan’s current Third Party Administrator, ICMA-RC, a search was initiated.

Ms. Cherry stated there were four respondents: ICMA-RC, Nationwide, Prudential and PCS. Staff and the subcommittee considered a several factors including: fees and expenses to the Plan and a minimum of two on-site representatives to serve only the City.

Ms. Cherry said that the final three candidates presented before the subcommittee and feedback was largely positive, therefore, final offers for pricing were requested and this resulted in a significant difference between the firms.

Ms. Cherry said that Nationwide proposed a final cost of \$290,656, compared to ICMA-RC final cost of \$858,000. A difference of roughly \$600,000.

Mr. Rodriguez asked why there was such a huge gap on the pricing.

Ms. Cherry answered that the use of the guaranteed fund option where there are two pieces of revenue. One part of the revenue will be generated as using the spread on the underlying investments of the fund.

Mr. DiFusco added that in using the guaranteed fund, the interest rate will be reset on a monthly or quarterly basis. He added that Prudential also offered this type of fund, and the additional source of income will come from the difference of what is being paid to the participants in the fund versus what is earned by the underlying investments.

Ms. Pankey asked their success rate in using that type of revenue option.

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Mr. Bielli answered that any loss will be on them and will not affect the members.

Ms. Weiss asked if the same fund options would be available for all participants.

Mr. Stevenson said it would be.

Ms. Weiss asked if members will still have all the options available to monitor their accounts.

Mr. Stevenson said that the new site will have all the same functionalities plus additional options.

Mr. Bielli asked how many personnel will be available to accommodate participants on-site.

Mr. Stevenson proposed three full-time retirement specialists, with at least one of those specialist always out in the field. He proposed two specialists would be available in the office four days a week. One full-time financial planner will be available five days a week and will participate in seminars.

Ms. Weiss requested a motion. Mr. Rubin made the motion to accept staff's recommendation in electing Nationwide as the new TPA. Mr. Dutchie seconded. The motion passed.

At 9:45a.m., Ms. Weiss, Alternate, requested a motion to adjourn the Deferred Compensation Plan Committee Meeting. Mr. Rubin 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 _____.

Paula Weiss
Alternate, Board Chair