CITY OF PHILADELPHIA
BOARD OF PENSIONS AND RETIREMENT
Meeting of June 3, 2014
<u>MINUTES</u>

On June 3, 2014, Paula Weiss called the Regular Meeting of the Board of Pensions and Retirement to order at 9:12 a.m. in the Board's Conference Room.

Present:
Paula Weiss
William Rubin
Brian Albert
Patricia Fitzgerald
Carol Stukes-Baylor
Andrew Thomas
Veronica Pankey
James Leonard
Folasade Olanpekun-Lewis

Also Attending:
Francis Bielli - Board of Pensions
Mark Murphy - Board of Pensions
Shamika Taliaferro – Board of Pensions
Sumit Handa – Investment Unit
Brad Woolworth - Investment Unit
Christopher DiFusco – Investment Unit
Ellen Berkowitz – Law Department
Katharine Janoski – Law Department
Mark Johnson – Cliffwater
Charles Jones – Exec. Director, Sinking Fund Commission
Judi Cassell – OnePhilly Project
Will Greene – Loop Capital

Ms. Weiss stated that the first order of business was the consideration of the Minutes of April 24, 2014.

Carol Stukes-Baylor made a motion to approve. Brian Albert seconded the motion.

The motion to approve the Minutes of April 24, 2014 carried 5-0-1.

CONSIDERATION OF (120) PENSION APPLICATIONS AND (72) WITHDRAWAL APPLICATIONS

Brian Albert made a motion to approve. Andrew Thomas seconded the motion.

The motion to approve carried unanimously 6-0.

APPLICATION FOR SERVICE-CONNECTED DISABILITY BENEFITS

Case of Brian Carter, Application for Service-Connected Disability Benefits – Plan "B"

This is an application by Brian Carter, former Police Officer, Police Department, for Service-Connected Disability Benefits in Plan "B".

According to Mr. Carter, he sustained an injury to his foot while working when he responded to a call to assist an officer. The date of his injury is July 3, 2009.

Carol Stukes-Baylor made a motion to approve. Andrew Thomas seconded the motion.

The motion to approve carried unanimously 6-0.

Case of Wanda Colon, Application for Service-Connected Disability Benefits – Plan "B"

This is an application by Wanda Colon, former Police Officer, Police Department, for Service-Connected Disability Benefits in Plan "B".

According to Ms. Colon, she sustained injuries to her hand and finger while working when she responded to a radio call. The date of her injury is July 6, 2008.

Carol Stukes-Baylor made a motion to table for verification of Dr. Knox's report.
Andrew Thomas seconded the motion.

The motion to table for 30 days in order to obtain a clearer conclusion on Dr. Knox's report carried unanimously 6-0.

Case of Elvira Cruz, Application for Service-Connected Disability Benefits – Plan "B"

This is an application by Elvira Cruz, former Police Officer, Police Department, for Service-Connected Disability Benefits in Plan "B".

According to Ms. Cruz, she sustained an ankle injury while working when she walked outside and slipped on ice in the parking lot. The date of her injury is February 14, 2010.

Carol Stukes-Baylor made a motion to approve. Andrew Thomas seconded the motion.

The motion to approve carried unanimously 6-0.

Case of John Pace, Application for Service-Connected Disability Benefits – Plan "Y"

This is an application by John Pace, former School Crossing Guard, Police Department, for Service-Connected Disability Benefits in Plan "Y".

According to Mr. Pace, he sustained an injury to his wrist while working when he slipped and fell on a patch of ice. The date of his injury is December 23, 2009.

There was some discussion as to whether or not Dr. Knox's report was clear as he deemed the injury due solely but did not find him permanently disabled.

Carol Stukes-Baylor made a motion to approve. Veronica Pankey seconded the motion.

The vote was 4-3, the Chair voted to deny. Motion fails and is denied 4-4.

Case of Milton Washington, Application for Service Connected Disability Benefits Beyond the One Year Deadline – Plan Y

This is a request by Milton Washington, former Laborer for the Streets Department, to make application for Service Connected Disability benefits beyond the one year deadline.

Mr. Washington was separated effective April 11, 2007. He made application for Service Connected Disability benefits on October 30, 2013.

Staff forwarded a letter of Administrative denial dated May 1, 2014 to Mr. Washington. The letter cited section 22-309(a) of the Pension Code, which refers to the 1-year time limit from date of separation for applying for Disability retirement benefits.

Mr. Washington forwarded a letter to Executive Director Francis X. Bielli dated May 5, 2014 appealing his denial and requesting a hearing on his issue.

Brian Albert made a motion to deny. Patricia Fitzgerald seconded the motion.

The motion to deny carried unanimously 6-0.

OLD BUSINESS

Case of Arthur Brown, Reconsideration of Application for Service-Connected Disability Benefits – Plan "J"

This case was approved at the Board meeting of April 24, 2014 and is being listed for **Reconsideration**.

This is an **administrative** application by Arthur Brown, former Equipment Operator, Streets Department, for Service-Connected Disability Benefits in Plan "J".

According to Mr. Brown, he sustained injuries to his foot, back and head when he stepped off the truck and fell four feet. The date of his injury was May 2, 2012.

Carol Stukes-Baylor made a motion to table for 30 days when Mr. Stagliano would be present. Andrew Thomas seconded the motion.

The motion to table for 30 days carried unanimously 6-0.

NEW BUSINESS

Executive Director's Report – Mr. Bielli updated the Board on the following subjects:

- **Plan 10 -** The BOP gave a seminar to citywide departmental Human Resources concerning Plan 10. The collective bargaining agreement regarding Plan 10 for DC 47 and non-represented employees was ratified by City Council on May 14, 2014. There is a retroactive aspect to the bill concerning DC 47 employees hired from March 5, 2014 and for non-represented employees that are hired from the date of the signing of the bill which was May 14, 2014. Letters will be sent by Pensions by certified and regular mail providing information regarding the Plan.

  Mr. Bielli also had a meeting with Fred Wright and Carol Stukes-Baylor of DC 47 regarding Plan 10.

  Staff will give a seminar at the request of the Water Department with a factual review of Plan 10 to a group of approximately 40 people. They are current employees interested in learning about the Plan.

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- **Regulation 6 (DROP)** – Ms. Berkowitz stated that the Regulation was complicated and did not reflect the way the Plan is being administered by Pension staff.

  Brian Albert made a motion to approve the changes made to Regulation 6. William Rubin seconded the motion.

  The motion to approve changes to Regulation 6 carried 6-0-1.

- **Business and Education Travel Authorization Request** – Mr. Bielli stated they did not find out in sufficient time to obtain Board approval for Ms. Stukes-Baylor to attend the PAPERS conference. It is an importance conference and needs a motion from the Board to approve her attendance.

  William Rubin made a motion to approve. Andrew Thomas seconded the motion.

  The motion to approve Carol Stukes-Baylor attendance at the PAPERS Conference, May 27-28, 2014 in Harrisburg, PA carried unanimously 6-0.

  Mr. Bielli added that there is material on the table for a PAPERS Public Pension Professional Certification Program (PPCP). Anyone interested in participating may contact staff to sign up. There is also a Fall workshop which will be held in Philadelphia at the Wyndham Hotel September 17 and 18, 2014. In addition to the Board attending, some staff members may also attend.

  Ms. Stukes-Baylor added that they have a good agenda and you can choose any day you wish to attend. They encourage all trustees to participate in the PPCP Program and Investment staff may be interested as well.

  Mr. Thomas stated that he had the opportunity to attend the Milken Global Institute Conference in California with Mr. Handa, who presented at one of the panels. It was one of the most informative real time conferences he ever attended with over 3,500 attendees, 650 presenters, staff, security, millionaires, billionaires and TV personalities. The information presented was real time and they have the means financially to change the direction of the country. It was very informative and he highly recommends that the Board continues to send representation if it is not cost prohibitive to the Board. The information is also available online at Milken Global Institute.com. Any topic can be researched along with videos, as there are so many presentations, it is impossible to be in each room.

Presentation on OnePhilly Project – Judi Cassell

Ms. Cassell gave an overview of the OnePhillyAdministrative Systems Modernization Project which will modernize the City's internal systems and integrate departments. As a result of a 2010 citywide initiative led by the Office of Information and Technology it was confirmed that the systems in place are antiquated and people who have supported that technology have retired and/or eligible for retirement. Many of the business processes are inefficient and not consistent with the best practices in government. As a result, the City made the decision to review business processes and modernize the internal systems in three phases: Workforce Management (active), Procurement and Financials (future).

Workforce management is all the administrative operation from hire to retire. A future phase is procurement and the final stage is financials. There will be a single integrated system instead of separate systems such as Human Resources, Payroll and Pensions.

Implementation and laying the groundwork for the project has just begun. They have spent a lot of time working with subject matter experts and how the work gets done on a daily basis. They've done a preliminary analysis of the legacy systems being used now and want to make sure they understand them thoroughly so that nothing gets left behind.

The City, over a decade ago, bought licenses for Oracle E-business Suite. They have decided to use those licenses but did not have a software package for Pensions when the RFP was put out so they asked for a firm to propose a package that could be integrated to the E-business suite. A decision was made to go with Peoplesoft pensions. The Project also has full-time dedicated resources from the City in the areas of benefits, budget, financials, human resources, payroll, pensions and time entry/leave management.

The Project has a set of requirements for how a system needs to work. They used broad categories and specific requirements. They will have the vendor look at the software and see how well they match up in each area.

The Board of Pensions has already made initial improvements under recent leadership to modernize and use technology. Improvements include streamlined workflows and consolidated staff; moving to Excel calculations, improved access to forms on the website; improved data exchange with Finance, Payroll, and Risk Management.

A new system will be able to provide a master data source for employee information so when there is a change everything will be updated as opposed to each departmental system manually making a change. The system will eliminate time and labor to gather information for service credit when an employee is going into retirement. It will allow for more self service of the employees and retirees and to make seamless updates to changes to operations, such as the assumption rate and DROP interest. It can also provide tools and query capability.

Currently, there is a notice to proceed with the vendor, who has been working since May 5, 2014. The project is in the implementation stage and there are some things they can do right now to make improvements and reach out to departments for their specific needs and perspective. The vendor is on site and the business leads have been working side by side with the vendor.

After the implementation process which will take 12-18 months, the program goes live and the vendor stays with them for a six month reliability period. After the six month period they would take final acceptance.   They have written a contract that has safety nets in place, and plans for recourse if implementation doesn't go as expected.

Ongoing project updates are available on the Project Sharepoint Site, internal newsletters and manager meetings.

Mr. Bielli stated that the Board of Pensions is the end user of all the information. The largest part of the manual process is tracking down employee records. Calculations are not manual and are being done with current technology; spreadsheets, templates and Excel. Delays are eliminated by ensuring that departmental human resources, finance and payroll have put all information into the Oracle system and fully implement it prior to notifying Pensions that someone is ready to retire.

Ms. Cassell said that the system can function like that. Moving forward for new employees won't be a problem. However, to make this system work for Pensions they need to figure out how to go back and collect the information to create the credited service balance for active employees. This may be a manual process.

The Board discussed appointment dates, longevity dates and how Personnel and Pensions determine service time differently. There are different rules governing different dates in the system.

Mr. Bielli stated they have already compiled a list of retro employees. Before 1995, data entry will have to be used to input employee's service time. After 1995, there are electronic records on the system.

Another one of the project's goals is to decrease the time is takes to receive the first pension check. The system will be able to process the payroll directly from Pensions so that it will shorten the time and the need to rely on other departments.

The Board discussed other capabilities the system may be able to provide such as making changes and updates to beneficiaries and doing estimates. The changes would take place on an integrated system and would require that rules are built in by the Board.

Ms. Weiss asked how changes to the Code will be incorporated into the system after the six month reliability period when the consultants leave.

Ms. Cassell explained that it will depend on the complexity of the change and if it is able to be done by City employees who will be able to do more in the system. They will continue to have vendor support available in the future and ongoing Oracle support that works with the Office of Technology.

Litigation Summary – Nothing to report.

William Rubin made a motion to adjourn. Brian Albert seconded the motion. The meeting adjourned at 10:20 a.m.