

RETIREMENT BOARD OF TRUSTEES MEETING MINUTES

COMMENCEMENT

1. Chairperson call meeting to order.

Meeting Date	Start Time	End Time	Meeting Type
5/7/2025	12:00 PM	12:47 PM	Regular
Meeting Information City Hall Building, Sixth Floor Conference Room 810 Union Street, Norfolk, Virginia 23510			

2. Roll call.

	Present
Yvonne T. Allmond (Chair)	<input checked="" type="checkbox"/>
Elizabeth (Liz) A. Delude (Vice-Chair)	<input checked="" type="checkbox"/>
John R. E. Garris	<input checked="" type="checkbox"/>
Lashawnda W. Hall	<input type="checkbox"/>
Jean G. Hopkins	<input type="checkbox"/>
Daryl N. Howard	<input type="checkbox"/>
James (Jim) J. Izard II (Investment Committee Chair)	<input checked="" type="checkbox"/>
Mark R. Warden	<input type="checkbox"/>
Christine A. Garczynski (Admin and Planning Committee Chair)	<input type="checkbox"/>
DCM Douglas J. Beaver	<input checked="" type="checkbox"/>

Additional Attendees

Penny Whitson Executive Director	Jackie Cowan Retirement Benefits Administrator	Andy Fox Deputy City Attorney I
Shenette Felton (alternate for C. Garczynski) Asst. Director of Finance		

3. Approval of minutes of meeting held March 5, 2025:

☒ **Approved** ☐ **Denied**

REPORTING**Reporting Period: April 2025 – May 2025****TOTAL**
(Submitted/Approved)

A. Service Retirement Applications	29
1. Normal Service Retirement	14
2. Normal Service Retirement with DROP	7
a. General Employees	6
b. Public Safety Employees	1
3. Early Service Retirement – Reduced Benefit	1
4. Early Service Retirement – Deferred Benefit	0
5. Vested Service Retirement	7
B. Disability Retirement Applications	1
1. Accidental Disability Retirement	1
2. Ordinary Disability Retirement	0
C. Disability Reexamination Determinations	2
D. DROP Exit Report	3
E. Report of Deaths	21
1. Retiree	16
2. Spouse or Beneficiary	5
F. Death Benefit Claims	11
G. Retirement Rescissions	0
H. Previous Docket Amendments and Corrections	0
I. Non-Vested Member Separation from Employment	1
Total	\$7,139.84

J. Obligations Reported for Payment

Refer to EXHIBIT 1

K. Committee Reports

1. Administration and Planning Committee – no meeting
2. Investment Management Committee –
 - a. Meketa Investment Group investment and market review
 - i. Economic and Market Update

ii. Executive Summary

NERS	March 31, 2025	February 28, 2025	January 31, 2025
Total Fund Balance	\$1.35 Billion	\$1.38 Billion	\$1.38 Billion
Funded Status	87%	89%	89%
NERS Assumed Rate of Return	6.75%	6.75%	6.75%
FYTD Rate of Return	4.5%	5.9%	5.7%
12 Months Trailing Rate of Return	5.9%	10.0%	12.1%
Monthly Rate of Return	-1.3%	0.2%	2.8%
Monthly Gains/Losses	-\$17.2 million	\$2.8 million	\$37.8 million
Monthly Net Cash Flow	-\$8.5 million	-\$8.2 million	-\$8.0 million

iii. Performance Summary as of March 31, 2025

Performance Update | As of March 31, 2025

Asset Class Performance Summary										
	Market Value (\$)	% of Portfolio	QTD (%)	FYTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
Total Fund	1,353,280,748	100.0	1.7	4.5	5.9	3.7	9.8	6.1	7.8	Oct-90
Total Fund Policy Benchmark			0.9	4.9	7.0	4.9	11.1	6.4	8.0	
Total Fund Actual Allocation Benchmark			1.1	4.7	6.4	--	--	--	--	
Total Fund Public Benchmark			-0.5	4.1	6.0	5.1	9.7	6.4	8.0	
Growth Assets	712,823,162	52.7	-0.4	3.2	5.2	--	--	--	12.4	Dec-22
Growth Assets Custom Benchmark			-1.5	4.5	7.6	--	--	--	14.0	
Global Equity	706,039,592	52.2	-0.4	3.2	5.1	5.8	14.8	8.7	9.1	Oct-90
Global Equity Policy Benchmark			-1.6	3.8	6.3	6.3	15.0	8.6	9.4	
Private Equity	6,783,570	0.5								
MSCI ACWI + 3% 1Q Lag			-0.3	11.0	21.0	--	--	--	21.8	
Credit	65,696,449	4.9	2.2	5.9	6.9	--	--	--	9.3	May-23
Credit Custom Benchmark			0.8	5.8	7.4	--	--	--	9.4	
High Yield & Bank Loans	65,696,449	4.9	2.2	5.9	6.9	--	--	--	9.3	May-23
High Yield & Bank Loans Custom Benchmark			0.8	5.8	7.4	--	--	--	9.4	
Inflation Hedges	303,184,160	22.4	5.8	8.6	10.1	--	--	--	1.0	Dec-22
Inflation Hedges Custom Benchmark			6.6	7.1	8.1	--	--	--	1.4	
Real Estate	114,696,057	8.5	0.7	5.3	5.5	-5.1	0.3	3.1	5.5	Apr-11
NCREIF ODCE (Net)			0.8	1.8	1.2	-5.1	2.0	4.7	6.8	
Natural Resources & Infrastructure	71,850,723	5.3	6.2	2.0	2.7	--	--	--	2.4	Apr-23
S&P Global LargeMidcap Resources & Commodities NR USD			8.2	0.9	1.1	--	--	--	1.0	
Gold	47,235,793	3.5	25.5	36.1	43.1	--	--	--	21.9	Apr-23
60% Gold (Spot)/ 40% FTSE Gold Mines			26.0	36.2	44.2	--	--	--	24.1	
Short-Term TIPS	69,401,587	5.1	3.0	5.5	7.0	--	--	--	5.3	Mar-23
Bimbg. U.S. TIPS 0-5 Year			3.0	5.5	7.0	--	--	--	5.8	

Performance Update | As of March 31, 2025

	Market Value (\$)	% of Portfolio	QTD (%)	FYTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
Risk Mitigation	271,576,978	20.1	2.7	3.3	2.7	--	--	--	3.0	Dec-22
Risk Mitigation Custom Benchmark			1.9	3.2	3.1	--	--	--	3.3	
Investment Grade Fixed Income	216,690,344	16.0	3.1	4.7	4.3	0.2	-0.4	1.5	5.1	Oct-90
Bimbg. U.S. Aggregate Index			2.8	4.8	4.9	0.5	-0.4	1.5	5.0	
Intermediate-Term Bonds	166,821,839	12.3	2.7	5.2	5.3	1.0	0.1	1.7	5.2	Oct-90
Bimbg. U.S. Aggregate Index			2.8	4.8	4.9	0.5	-0.4	1.5	5.0	
Long-Term Bonds	49,868,504	3.7	4.7	3.1	1.4	--	--	--	-0.2	Mar-23
Bimbg. U.S. Treasury: Long			4.7	3.1	1.3	--	--	--	-0.2	
Hedge Funds	52,523,061	3.9	1.1	-1.9	-3.2	--	--	--	0.2	Apr-23
Hedge Fund Custom Benchmark			-1.3	-2.3	-3.4	--	--	--	2.0	
Cash	2,363,573	0.2								

iv. Comparison to June 30, 2024

Performance Update As of June 30, 2024										
Asset Class Performance Summary										
	Market Value (\$)	% of Portfolio	QTD (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
Total Fund	1,321,625,157	100.0	1.3	5.8	10.4	2.5	6.4	5.8	7.8	Oct-90
Total Fund Policy Benchmark			1.9	6.9	12.1	3.4	7.2	6.1	8.0	
Total Fund Actual Allocation Benchmark			1.6	6.3	11.6	--	--	--	--	
Total Fund Public Benchmark			1.8	7.4	14.2	2.7	7.1	6.2	8.1	
Growth Assets	738,992,459	55.9	1.9	10.1	17.4	--	--	--	16.5	Dec-22
Growth Assets Custom Benchmark			3.0	11.3	19.3	--	--	--	18.0	
Global Equity	734,402,918	55.6	1.8	10.1	17.4	4.4	10.4	8.6	9.2	Oct-90
Global Equity Policy Benchmark			2.4	10.3	18.4	4.7	10.4	8.4	9.5	
Private Equity	4,589,541	0.3								
Credit	64,630,411	4.9	1.0	3.5	9.8	--	--	--	10.2	May-23
Credit Custom Benchmark			1.5	3.5	10.8	--	--	--	10.5	
High Yield & Bank Loans	64,630,411	4.9	1.0	3.5	9.8	--	--	--	10.2	May-23
High Yield & Bank Loans Custom Benchmark			1.5	3.5	10.8	--	--	--	10.5	
Inflation Hedges	273,537,606	20.7	1.4	1.5	1.9	--	--	--	-3.6	Dec-22
Inflation Hedges Custom Benchmark			1.0	1.2	1.2	--	--	--	-2.3	
Real Estate	102,249,915	7.7	0.2	-3.0	-8.4	-1.7	-0.3	3.4	5.4	Apr-11
NCREIF ODCE (Net)			-0.7	-3.2	-10.0	1.0	2.3	5.5	7.0	
Natural Resources & Infrastructure	64,416,659	4.9	0.7	2.4	6.8	--	--	--	2.3	Apr-23
S&P Global LargeMidcap Resources & Commodities NR USD			0.2	1.3	5.2	--	--	--	0.9	
Gold	46,710,259	3.5	5.2	9.1	15.3	--	--	--	7.2	Apr-23
60% Gold (Spot)/ 40% FTSE Gold Mines			5.9	10.3	17.8	--	--	--	10.2	
Short-Term TIPS	60,160,774	4.6	1.4	2.3	5.4	--	--	--	4.2	Mar-23
Blmbg. U.S. TIPS 0-5 Year			1.4	2.3	5.4	--	--	--	4.9	

Performance Update As of June 30, 2024										
	Market Value (\$)	% of Portfolio	QTD (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
Risk Mitigation	244,464,681	18.5	-0.6	-1.2	0.5	--	--	--	2.3	Dec-22
Risk Mitigation Custom Benchmark			-0.2	0.4	3.2	--	--	--	2.7	
Investment Grade Fixed Income	178,666,464	13.5	-0.4	-1.6	0.9	-3.3	-0.3	1.4	5.0	Oct-90
Blmbg. U.S. Aggregate Index			0.1	-0.7	2.6	-3.0	-0.2	1.3	5.0	
Intermediate-Term Bonds	130,310,898	9.9	0.1	-0.4	3.1	-2.6	0.1	1.6	5.1	Oct-90
Blmbg. U.S. Aggregate Index			0.1	-0.7	2.6	-3.0	-0.2	1.3	5.0	
Long-Term Bonds	48,355,567	3.7	-1.7	-4.8	-5.7	--	--	--	-2.6	Mar-23
Blmbg. U.S. Treasury: Long			-1.8	-5.0	-5.6	--	--	--	-2.6	
Hedge Funds	63,667,802	4.8	-1.3	-0.2	-1.2	--	--	--	1.9	Apr-23
Hedge Fund Custom Benchmark			-1.2	4.2	4.7	--	--	--	5.1	
Cash	2,130,414	0.2								

v. As of June 30, 2024, Total Plan Actuarial Liability (AL) is \$1.555 billion and the Actuarial Value of Assets (AVA) is \$1.324 billion for an Actuarial Funded Ratio (AVA/AL) of 85%. Using the Market Value of Assets (MVA), the Market Funded Ratio (MVA/AL) was approximately 89% in February 2025 and 87% in March 2025

vi. Meketa will present additional asset allocation strategies to the Investment Committee at the next meeting. These strategies will include options such as incorporating private equity and reducing the target allocation to global equities by 10%, with the primary objective of decreasing overall risk in the System by reducing equity exposure

L. Other / Old Business

1. UBS
 - a. \$147,692.28 received on April 28, 2025, after a quarterly fee of \$41,096.06 was withheld

M. New Business/Other

1. Introduction of new Board of Trustee Ex-Officio, Deputy City Manager, Douglas J. Beaver
2. National Association of Public Pension Attorneys (NAPPA) 2025 Legal Education Conference for Andy Fox – **APPROVED**
 - a. Registration fee: \$990
 - b. Travel & Accommodations: Not to exceed \$1,510
 - c. Total maximum allowable cost: \$2,500
3. The Norfolk Employees' Retirement System (NERS) and the Department of Finance are excited to announce that the City has received the prestigious Government Finance Officers Association (GFOA) Certificate of Achievement for Excellence in Financial Reporting for the NERS Fiscal Year 2024 Annual Comprehensive Financial Report (ACFR). This achievement marks the 20th consecutive year that the NERS has earned this distinguished recognition.

N. Next Meeting: July 16, 2025

1. Anticipated Quorum: ☒ Yes ☐ No
2. Scheduled Guest Speaker(s)

O. Adjournment

Exhibit 1
Obligations Reported for Payment: April 2025 – May 2025

	Description	Amount
1.	State Street Corporation	\$6,000.00
2.	Cheiron	\$11,304.46
3.	Retirement Payroll	\$17,220,138.29
4.	Meketa Investment Group, Inc.	\$122,306.86
5.		
6.	TOTAL	\$17,359,749.61

Additional Details

1. Custodial Services – April 2025 \$3,000.00 (estimated); May 2025 \$3,000.00 (estimated)
(Payment is auto debited from the investment cash account)
2. Actuarial Services – April 2025 \$5,652.23 (estimated); May 2025 \$5,652.23 (estimated)
3. Monthly Benefits Payroll – April 2025 \$8,620,138.29 (actual) and May 2025 \$8,600,000.00 (estimated)
4. Outsourced Chief Investment Officer Services (OCIO) – April 2025 \$61,153.43 (estimated); May 2025 \$61,153.43 (estimated)