

Minutes of the Regular Monthly Meeting

Board of Trustees

Employees' Retirement System

Date: August 5, 2015

The regular monthly meeting of the Board of Trustees of the Employees' Retirement System of the City of Norfolk was held in the City Hall sixth floor conference room in the City of Norfolk, VA. The meeting began at 12:00 p.m. on Wednesday, August 5, 2015, with Chairperson Stephanie Calliott presiding. The following was the result of the roll call:

Attending the Meeting

S.A. Calliott
Y.T. Allmond
B. Eason
S. Joy-Hogg
N.E. Nelson
E.G. Tucker
C. Garczynski

Absent

C.R. Neikirk
L.A. Bernert
K.W. Crowder

Ron Fritch, Acting Executive Director, Mary L.G. Nexsen, Deputy City Attorney, Capri Stanley-Smith, Human Resources Director, Galen Gresalfi from Budget and Strategic Management, and Adele Daniels, Administrative Assistant II also attended the meeting.

With a quorum established, a motion was made, seconded, and approved that the Board assemble in an executive session pursuant to Virginia Code Section 2.2-3711(A) 7 for the discussion of a personnel matter. At the conclusion of the closed session, the Board adopted the following Resolution:

A RESOLUTION CERTIFYING AN EXECUTIVE SESSION OF THE BOARD OF TRUSTEES OF THE EMPLOYEES' RETIREMENT SYSTEM OF THE CITY OF NORFOLK IN ACCORDANCE WITH THE PROVISIONS OF THE VIRGINIA FREEDOM OF INFORMATION ACT.

WHEREAS, the Board of Trustees of the Employees' Retirement System of the City of Norfolk convened an executive session on August 5, 2015, pursuant to an affirmative recorded vote and in accordance with the provisions of the Virginia Freedom of Information Act; and

WHEREAS, Section 2.2-3711 of the Code of Virginia requires a certification of this Board that such executive session was conducted in conformity with Virginia law; now, therefore,

BE IT ORDAINED by the Board of Trustees of the Employees' Retirement System of the City of Norfolk:

Section 1: - That the Board hereby certifies that, to the best of each member's knowledge, (i) only public business matters lawfully exempted from open meeting requirements by Virginia law were discussed in the closed meeting to which this certification resolution applies, and (ii) only such public business matters as were identified in the motion convening the closed meeting were heard, discussed or considered by the Board.

Section 2: - That this resolution shall be in effect from and after its adoption.

The regular meeting resumed at 12:10 p.m.

The minutes for the meeting held on July 1, 2015, were approved.

The rescission of the following retirement approved at the July 1, 2015, meeting was approved:

David B. Pendergrass – Fire Rescue

New Business

A. Applications for Vested Service Retirement:

Albert J. Colden, Active No. 25524, November 1, 2005, with no refund due.

[Neighborhood Development]

Lawrence A. Zehnder, Active No. 22863, February 1, 2012, with no refund due.

[Recreation, Parks, and Open Space]

Antionette B. Jones, Active No. 24434, July 1, 2015, with no refund due.

[Neighborhood Development]

Victor M. Jones, Active No. 21510, September 1, 2015, with no refund due.

[Recreation, Parks, and Open Space]

Douglas Palladino, Active No. 24635, September 1, 2015, with no refund due.

[Fire-Rescue]

Curtis L. Willoughby, Active No. 26145, September 1, 2015, with no refund due.

[Recreation, Parks, and Open Space]

B. Applications for Early Service Retirement:

Thomas G. Mingin, Active No. 26653, September 1, 2015, with no refund due.

[Fire-Rescue]

Frank J. Russo, Active No. 29300, September 1, 2015, with no refund due.

[Fire-Rescue]

C. Applications for Normal Service Retirement:

Neal D. Baldwin, Active No. 26406, September 1, 2015, with no refund due.

[Police]

Francis J. Carpenter, Active No. 31525, September 1, 2015, with no refund due.

[Public Works]

Charles E. Cole, Active No. 19486, September 1, 2015, with no refund due.
[\[Public Works\]](#)

Dilys A. Meidling, Active No. 27279, September 1, 2015, with no refund due.
[\[Human Services\]](#)

Thomas D. Whitbeck, Active No. 23782, September 1, 2015, with no refund due.
[\[General Services\]](#)

Mark D. Clifton, Active No. 22405, October 1, 2015, with no refund due.
[\[Public Works\]](#)

Alicia A. Connelly, Active No. 24681, October 1, 2015, with no refund due.
[\[Utilities\]](#)

Basil S. Orciga, Active No. 27310, October 1, 2015, with no refund due.
[\[Police\]](#)

D. Application for Deferred Retirement Option Program (DROP):

Joseph M. Wallower, Active No. 24830, September 1, 2015, with no refund due.
[\[Fire-Rescue\]](#)

*The Board approved **Item A** – Applications for Vested Service Retirement; **Item B** – Applications for Early Service Retirement; **Item C** – Applications for Normal Service Retirement; and **Item D** – Application for Deferred Retirement Option Program (DROP).*

E. Medical Board reexamination of accidental disability retirement:

Keith J. Cole, Ret. No. 6942, follow up evaluation on accidental disability retirement.
[\[Fire Rescue\]](#)

*The Board approved **Item E** – Reexamination of accidental disability retirement for Keith J. Cole with one year review.*

F. Medical Board review of application for accidental disability retirement:

John E. Wright, Active No. 25162, September 1, 2015. This member requested accidental disability retirement.
[\[Fire Rescue\]](#)

*The Board approved **Item F** -Application for accidental disability retirement for John E. Wright without further review.*

G. Death of retired members:

Herman G. Martin, Ret. No. 1969, death occurred June 3, 2015. Spouse elected monthly benefit of \$532.41.

Carolyn Brown, Ret. No. 3188, death occurred June 30, 2015. No benefit payable due to no surviving spouse.

Johnakin Patrick, Ret. No. 2559, death occurred June 30, 2015. Spouse elected monthly benefit of \$894.45.

Dorothy Snell, Ret. No. 2458, death occurred July 14, 2015. No benefit payable due to no surviving spouse.

Emmalynn R. Edwards, Ret. No. 6830, death occurred July 24, 2015. No benefit payable due to no surviving spouse.

Carl D. O'Dell, Ret. No. 4145, death occurred July 26, 2015. Spouse elected monthly benefit of \$1,064.17.

Ignacia J. Cababaro, Ret. No. 2442, death occurred July 29, 2015. No benefit payable due to no surviving spouse.

H. Death of spouses:

Marie I. Sisson, Spouse No. 1117, death occurred June 8, 2015. No benefit payable due to no surviving dependent children.

Janis M. Matthews, Spouse No. 1061, death occurred June 26, 2015. No benefit payable due to no surviving dependent children.

*The Board approved the benefit payment to the beneficiaries in **Item G** – Death of retired members; and **Item H** – Death of spouses.*

I. Report on member separations.

The Board approved withdrawal of the following contributing members with \$47,833.38 of contributions due:

<u>Name of Members</u>	<u>Active Number</u>
Kathy Garrett	32982
Joy A. Eyrolles	33101
Kimberly M. Green	33609
Keisha B. Humphrise	34040
Karin Nguetta	34273
Joseph J. Handel	34266
Derryck J. Merritt	34274
Wendy L. Turner	34337
James R. Shelton	32616
Ginger R. Faison	34628
Angela G. Campbell	34383
Meghan L. Powell	35081
Maronda Jackson	34839
Tamika W. Nottingham	34932
Megan A. Oconnell	35041
Kim N. Rodgers	35069
Demetrius J. Blowe	35085

Total Members – 17

J. The following report of payments from the Trust Fund were received and filed:

FedEx (1)	\$ 72.82
Gourmet Gang (2)	140.50
Mary Lou Nexsen (3)	542.83
NowCare Physicians, PC (4)	600.00
Cheiron (5)	6,150.83
State Street Corporation (6)	13,970.33
City of Norfolk (7)	24,052.19
Retirement Payroll (Payroll est. for August 2015)	6,800,000.00
Total	\$ 6,845,529.50

- (1) Information sent to Summit Strategies Group
- (2) Lunch served for Board Meeting - July 1, 2015
- (3) 2015 NAPPA Conference Travel Reimbursement
- (4) Medical Board Examinations
- (5) Retainer Services - June 2015
- (6) Custodial Services - June 2015
- (7) Reimbursement - Administrative expenses for FYE June 2015

K. Disability Reexamination status:

1	Brown, Sherrod M. Sr.	Ordinary	<i>Suspended; did not submit required information</i>
2	Cole, Keith J.	Accidental-REX	7/28/2015 Sack
3	Pratt, Dawn M.	Accidental-REX	<i>Processing Paperwork</i>
4	St. Amant, David J.	Accidental	<i>Due - Effective 08/01/15</i>
5	Doke, Annie	Ordinary	<i>Due - Effective 08/01/15</i>
6	Sitzler, Samuel F.	Accidental-REX	<i>Due - Effective 08/01/15</i>
7	McAlpin, David M.	Ordinary-REX	<i>Due - Effective 08/01/15</i>
8	Tew, Gerald R.	Ordinary	<i>Not Due</i>
9	Drake, Richard L.	Ordinary	<i>Not Due</i>
10	Robertson, Denise L.	Accidental	<i>Not Due</i>
11	Cratt, David	Ordinary	<i>Not Due</i>
12	Sydow, Nathan V.	Ordinary	<i>Not Due</i>
13	Lambson, Leland	Ordinary	<i>Not Due</i>
14	Wynn, Nathaniel	Accidental	<i>Not Due</i>
15	Wethington, Mark A.	Accidental-REX	<i>Not Due</i>
16	Marsh, Carnell	Accidental	<i>Not Due</i>
17	Russell, Clifton D.	Ordinary	<i>Not Due</i>
		<i>Medical Board report forwarded to Board.</i>	

There were a total of 17 disability retirees up for reexamination. One was suspended due to not submitting the required information; one has pending paperwork being processed; one was reviewed today; 4 are due effective 8/1/2015. Ten (10) are not due at this time.

L. Committee Reports

Investment Management:

There was no Investment Management Committee meeting during the month of August. Ms. Calliott gave a brief overview of the June 2015 Market Value for the fund which is currently at \$1.01 billion compared to a similar number off by \$5 million at December 2014. We are in balance with our target in all categories. Total annual return on the portfolio for fiscal year to date is 1.92 percent. The composite versus our policy of 2.16 percent and our calendar year to date is 1.67 percent versus policy of 1.72 percent.

Ms. Calliott reviewed the June scorecard which dropped by 1.7 percent. The equity composite was down by 2 percent, fixed income was down by 1 percent and the MLP composite was down 5 percent. The total fund was down by 2 percent for the last 30 days. The June report reflects negatives across the board, which is an indication of some of the things that were happening with China and other places overseas. Since the current funding status is updated once a year, the scorecard funding status is a rough estimate of what the numbers would be if the actuary did them today. While the fund is currently in the 80+ percent range, the goal is to get it back to 100 percent, and we will continue to ask for refunding until we get it to that level. Ron Fritch stated that the actuary has the census data and that we are trying to push up the date to mid-September. The adjustment on the liability will be as of July 1 when it comes through the System.

Administration and Planning:

There was no Administrative Committee meeting during the month of August. Based on the comments from last months' meeting, Ms. Garczynski provided the Board members with copies of the most recent Trustee Manual that will require updating. She also stated that she has started to put together some RFPs for Banking Services for the Administrative Committee to review.

Other Topics:

- Ron Fritch has given notice that he will be leaving the City on August 14, 2015.
- A motion to appoint Galen Gresalfi as the Acting Executive Director-Secretary of the Retirement Board was approved by the Board of Trustees.
- Ron Fritch provided an overview of the status of direct deposit for retirees. He stated that the City Manager has affirmed a letter to send out to the retirees that effective with the November 30, 2015, the Retirement Office will no longer mail checks out. The direct deposit letter will be included in the August 2015 payment of retirees who still receive a mailed paycheck. The direct deposit information will also be posted on the City website, and will be followed up by telephone calls to retirees who do not provide the necessary banking information to establish direct deposit. Currently, there are about 380 retirees who still receive paychecks by mail.

Ms. Calliott stated that the letter should be very clear in emphasizing that the change to direct deposit is not optional for the retirees. Ms. Garczynski reiterated that November 30, 2015, is

the last day paychecks will be mailed out, and thereafter, retirees will have to come to the Retirement Office to get them, at which time they can sign up for direct deposit.

Arthur Eason noted that there are older retirees who may not drive, have computer access or who may have appointed representatives. Ron Fritch assured him that as long as the representative has power of attorney on file they can act on the retirees' behalf, and the retiree can also contact the Retirement Office by mail, email or telephone. Additionally, most retirees are already familiar with direct deposit as they have signed up for Social Security.

- Arthur Eason complimented Mr. Fritch on his presentation to the City of Norfolk Retired Employees Retirement Association on Friday, July 31, 2015.

The next meeting is scheduled for September 2, 2015, at 12:00 p.m.

There will be an Investment Management Committee meeting at 11:00 a.m.

There being no further business, the meeting adjourned at 12:45 p.m.

Chairperson

Executive Director