

Minutes of the Regular Monthly Meeting

Board of Trustees
Employees' Retirement System

September 2, 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, Virginia. The meeting began at 12:00 p.m. on Wednesday, September 2, 2015, with Chairperson Stephanie Calliott presiding. The following was the result of the roll call:

Attending the Meeting

S.A. Calliott
C.R. Neikirk
Y.T. Allmond
L.A. Bernert
K.W. Crowder
B. Eason
S. Joy-Hogg
E.G. Tucker
C. Garczynski

Absent

N.E. Nelson

Galen Gresalfi, Acting Executive Director, Mary Lou Nexsen, Deputy City Attorney, Capri Stanley-Smith, Human Resources Director and Adele Daniels, Administrative Assistant II also attended the meeting.

The minutes for the meeting held August 5, 2015, were approved.

KPMG Auditors Cheryl L. Xystros, CPA and Archie Simmons, Jr., CPA, gave a presentation to the Board of Trustees on the following areas:

- KPMG Client Service Team
- Risk Assessment
- Fraud Risk
- Audit Calendar
- Reports to be Issued
- GASB 68 Implementation
- Most Recent Peer Review Report

New Business

A. Applications for Vested Service Retirement:

Nancy H. Huff, Active No. 21576, August 1, 2015, with no refund due.
[Human Services]

Cora L. Cowell, Active No. 26953, October 1, 2015, with no refund due.
[Human Services]

B. Application for Early Service Retirement:

Bryan K. Flores, Active No. 32501, October 1, 2015, with no refund due.
[Police]

C. Applications for Normal Service Retirement:

Cynthia M. Foreman, Active No. 26527, October 1, 2015, with no refund due.
[Human Services]

Bobby J. Kendricks, Active No. 30760, October 1, 2015, with no refund due.
[Public Works]

Diane M. Kleeger, Active No. 29522, October 1, 2015, with no refund due.
[Human Resources]

Malinda F. Potier, Active No. 21994, October 1, 2015, with no refund due.
[Recreation, Parks and Open Space]

Mark L. Railling, Active No. 26309, October 1, 2015, with no refund due.
[Police]

Leonard Warren, Active No. 22888, October 1, 2015, with no refund due.
[Utilities]

Aaron B. Griffin, Active No. 23276, November 1, 2015, with no refund due.
[Human Services]

Larry C. Kight, Active No. 29603, November 1, 2015, with no refund due.
[Utilities]

Larry Slade, Active No. 20850, November 1, 2015, with no refund due.
[Public Works]

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

Robert J. Graupmann, Active No. 22546, October 1, 2015, with no refund due.
[Police]

Benjamin Serrano, Active No. 29216, October 1, 2015, with no refund due.
[Police]

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

E. Medical Board review of applications for accidental disability retirement:

Courtney D. Fancher, Active No. 32436. This member requested accidental disability retirement. **[Police]**

*The Board approved **Item E** – accidental disability retirement for Courtney D. Fancher with a one year review.*

F. Ordinary death of employee:

Nicodemus Johnson, Active No. 25892, death occurred August 17, 2015. Spouse elected monthly benefit of \$810.57.

G. Death of retired members:

Roy S. Thomas, Ret. No. 5253, death occurred February 16, 2015. No benefit payable due to no surviving spouse.

Savada L. Taylor, Ret. No. 3700, death occurred July 23, 2015. No benefit payable due to no surviving spouse.

Foye Newsome, Ret. No. 4336, death occurred August 1, 2015. No benefit payable due to no surviving spouse.

Rickey G. Foster, Ret. No. 5239, death occurred August 11, 2015. Spouse elected monthly benefit of \$599.10.

Reid H. Carawan, Ret. No. 2164, death occurred August 13, 2015. No benefit payable due to no surviving spouse.

Bobbie R. Andrews, Ret. No. 3765, death occurred August 21, 2015. No benefit payable due to no surviving spouse.

William L. Corbett, Ret. No. 3370, death occurred August 25, 2015. No benefit payable due to no surviving spouse.

H. Death of spouse:

Maudie E. Fox, Spouse No. 0547, death occurred July 18, 2015. No benefit payable due to no surviving spouse or dependent children.

I. Remarriage of spouse:

Sharon L. Webster, Spouse No. 0854, remarriage occurred June 8, 2015. No benefit payable due to no dependent children.

*The Board approved **Item F** – Ordinary Death of Employee, **Item G** – Death of Retired Members, **Item H** – Death of Spouse; **Item I** – Remarriage of Spouse.*

J. Report on member separations:

The Board approved withdrawal of the following contributing members with \$35,065.00 of contributions due.

<u>Member Name</u>	<u>Active Number</u>
Pearline J. Roulack	33010
Nakia N. Moss	33432
April J. Milton	33686
Orlando B. Mayhomes	33931
Antione L. Juniper	34101
Anil Uston	34139
Sonya D. Blount	34395
Jeffrey L. Barnes	34494
Laura Gennity	34588
Latavia N. Cherry	34798
Tiffany M. Nesby	34805
Colin J. Shevlin	34915
Steven E. West	34959
Lisa G. Opdyke	35019

Total Members – 14

K. Obligations Reported for payment:

FedEx (1)	\$ 48.00
Gourmet Gang (2)	129.50
NowCare Physicians, PC (3)	750.00
Cheiron (4)	4,205.83
State Street Corporation (5)	10,578.26
Retirement Payroll (Payroll est. for September 2015)	<u>6,800,000.00</u>
Total	<u><u>\$ 6,815,711.59</u></u>

- (1) Information sent to Cheiron
- (2) Lunch served for Board Meeting - August 5, 2015
- (3) Medical Board Examinations
- (4) Retainer Services - July 2015
- (5) Custodial Services - July 2015

L. Disability reexamination status:

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

There are 17 disability retirees up for reexamination; one was suspended as required information was not submitted; 5 have pending documentation; 11 are not due at this time.

M. Committee Reports: Administration and Planning & Investment Management.

Administration and Planning:

There was not an Administration and Planning meeting.

Investment Management:

a.m. Mr. Christopher Neikirk reported that there was an Investment Committee meeting at 11:00 today.

Summit Strategies presented their asset/liability study, which included various 10-year projections of potential contributions under various return scenarios and benefit payments. They are estimating, based on our current allocation, a 5.6 percent expected rate of return over the next 10 years which is 140 basis points below our 7 percent assumed rate of return. Summit provided some alternative asset allocations to consider which might have the prospect of increasing returns and reducing risks. They also provided different return scenarios in terms of what the future would look like under each scenario. The committee will have a follow up

meeting in October to review the Plan's equity allocation and continue the discussion on asset allocation.

We also heard Summit's opinion on the recent notification from State Street Global Advisors that their chief risk officer David Saulnier left to pursue other opportunities and has been replaced with Matt Steinaway, a long tenured, seasoned professional with over 23 years of credit, investments and risk experience. Summit was comfortable with the change.

As of July 31, 2015, assets were within the target allocation ranges. The July 31, 2015, assets were \$1.01 billion which resulted in an 84 percent funding status. Summit provided an estimate of the August 31, 2015, assets of approximately \$985 million as the equity markets have slipped somewhat.

Jessica Portis left Summit to pursue other opportunities, and our new primary consultant is Trevor Jackson. Eric Ralph was here to transition him.

Other Topics:

The next meeting is scheduled for October 7, 2015 at 12:00 p.m.

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

There being no further business, the meeting adjourned at 12:39 p.m.

Chairperson

Acting Executive Director