

Minutes of the Regular Monthly Meeting
Board of Trustees
Employees' Retirement System

November 4, 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, November 4, 2015, with Trustee Christopher Neikirk presiding on behalf of Chairperson Stephanie Calliott. The following was the result of the roll call:

Attending the Meeting

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

Absent

S.A. Calliott
Y.T. Allmond
N.E. Nelson

Galen Gresalfi, Acting Executive Director, Mary L.G. Nexsen, Deputy City Attorney and Adele Daniels, Administrative Assistant II also attended the meeting.

The minutes for the meeting held on October 7, 2015, were approved.

New Business

A. Applications for Vested Service Retirement:

Charles J. Bauman III, Active No. 23703, October 1, 2015, with no refund due.
[Economic Development]

Stephen G. Heninger, Active No. 30213, November 1, 2015, with no refund due.
[Cultural Facilities, Arts and Entertainment]

Dean G. Brauer, Jr., Active No. 23154, January 1, 2016, with no refund due.
[Fleet Management]

Brandon L. Wilkinson, Active No. 27003, January 1, 2016, with no refund due.
[Utilities]

B. Applications for Normal Service Retirement:

Peter G. Grandchamp, Active No. 26649, December 1, 2015, with no refund due.
[Libraries]

Catherine N. Harrah, Active No. 26137, December 1, 2015, with no refund due.
[Finance]

John B. Pick, Active No. 19860, December 1, 2015, with no refund due.
[Cemetery]

Melania A. Small, Active No. 25457, December 1, 2015, with no refund due.
[Human Services]

Jimmy R. Wilson, Active No. 30896, December 1, 2015, with no refund due.
[Public Works]

Lupina A. Cannon, Active No. 32113, January 1, 2016, with no refund due.
[Cultural Facilities, Arts and Entertainment]

Kenneth Davis, Active No. 29886, January 1, 2016, with no refund due.
[Utilities]

Barnell N. Filhiol, Active No. 24208, January 1, 2016, with no refund due.
[Utilities]

Bessie A. Lawrence, Active No. 26762, January 1, 2016, with no refund due.
[Human Services]

Joseph E. Norris, Active No. 26815, January 1, 2016, with no refund due.
[Public Works]

David W. Robinson, Active No. 31707, January 1, 2016, with no refund due.
[Human Services]

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

Carl L. Seger, Active No. 24328, December 1, 2015, with no refund due.
[Police]

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

D. Medical Board Reexamination for Disability Retirement Benefit:

David J. St. Amant, Ret. No. 06986, follow up evaluation on accidental disability retirement.
[Fire-Rescue]

David M. McAlpin, Ret. No 06658, follow up evaluation on ordinary disability retirement.
[Utilities]

Dawn M. Pratt, Ret. No. 06723, follow up evaluation on accidental disability retirement.
[Police]

*The Board approved **Item D** – accidental disability retirement for David J. St. Amant, with no further review; and accidental disability retirement for Dawn M. Pratt, with reexamination in a year. The Board deferred a decision on the reexamination for ordinary disability retirement for David M. McAlpin, pending further clarification from the Medical Board.*

E. Medical Board Review of Applications for Disability Retirement Benefit:

Glen M. Jenkins, Active No. 30905. This member requested ordinary disability retirement.
[Parking]

Royce I. Munker, Active No. 32876. This member requested ordinary disability retirement.
[Fire-Rescue]

Neal A. Robertson, Active No. 32830. This member requested accidental disability retirement.
[Police]

*The Board approved **Item E** – the application for ordinary disability retirement for Glen M. Jenkins, with no further review; the application for ordinary disability retirement for Royce I. Munker, with no further review; and the application for accidental disability retirement for Neal A. Robertson, with reexamination in a year.*

F. Ordinary Death of Employee:

Harvey L. Horne, Active No. 15142, death occurred September 21, 2015. Spouse elected monthly benefit of \$572.56.

G. Death of Retired Members:

Joan S. Cooksey, Ret. No. 04295, death occurred September 13, 2015. No benefit payable due to no surviving spouse or dependent children.

Meredith F. Cherry, Ret. No. 01948, death occurred September 22, 2015. Spouse elected monthly benefit of \$565.42.

William K. Gray, Ret. No. 03882, death occurred September 27, 2015. Spouse elected monthly benefit of \$641.86.

William R. Byrum, Ret. No. 01450, death occurred October 29, 2015. Spouse elected monthly benefit of \$433.01.

H. Death of Spouses:

Iris J. Meeker, Spouse No. 00971, death occurred June 16, 2015. No benefit payable due to no surviving spouse or dependent children.

Georgia E. Alexander, Spouse No. 00974, death occurred September 14, 2015. No benefit payable due to no surviving spouse or dependent children.

Judy S. Herington, Spouse No. 00750, death occurred September 18, 2015. No benefit payable due to no surviving spouse or dependent children.

Marie A. Wood, Spouse No. 00112, death occurred October 20, 2015. No benefit payable due to no surviving spouse or dependent children.

*The Board approved **Item F** – Ordinary Death of an Employee; **Item G** – Death of Retired Members; and **Item H** – Death of Spouses.*

I. The Board approved withdrawal of the following contributing members with \$49,190.69 of contributions due:

<u>Name of Members</u>	<u>Active Number</u>
Robert L. Staskey	33014
Deborah Johnston	33365
Cordeo R. Reyna	33419
Debra J. Buckalew	33475
Corey J. Miller	33892
Kim Heiden	34036
Brittany N. Forman	34309
Trevor M. Reynolds	34704
Alexandra E. Hilborn	34770
Angela R. Ricks	34785
Chavita J. Matthews	34828
Sonya L. Turner	33903
Jacqueline M. Hernandez	35183
Joel Joseph	35251
Dominique F. Panganiban	35271

Total Members - 15

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

Gourmet Gang (1)	\$ 101.60
Galen Gresalfi (2)	308.48
Pensions & Investments (3)	325.00
NowCare Physicians, PC (4)	500.00
Medical Consultants of Virginia, Ltd. (5)	900.00
United States Treasury (6)	2,500.00
Cheiron (7)	5,742.90
State Street Corporation (8)	24,432.16
Virginia Retirement System (9)	40,037.37
Summit Strategies Group (10)	48,407.33
Retirement Payroll (Payroll est. for November 2015)	<u>6,800,000.00</u>
 Total	<u><u>\$ 6,923,254.84</u></u>

- (1) Lunch served for Board Meeting - October 7, 2015
- (2) Travel Reimbursement - AMRS-VA 2015 Fall Conference
- (3) Subscription Renewal
- (4) Medical Board Examination (Dr. Sack)
- (5) Medical Board Examination (Dr. Brooks)
- (6) IRS Filing Fee - Determination Letter
- (7) Retainer Services - September 2015/Portability Calc/Audit
- (8) Custodial Services - August and September 2015
- (9) Portability Asset Transfer - Theresa S. Verrey
- (10) Investment Consulting Services - July, August and September 2015

K. Disability Reexamination status:

1	Brown, Sherrod M. Sr.	Ordinary	<i>Processing Paperwork</i>	
2	Pratt, Dawn M.	Accidental-REX		Sack *
3	St. Amant, David J.	Accidental-REX		Sack *
4	Doke, Annie	Ordinary	<i>Processing Paperwork</i>	
5	Sitzler, Samuel F.	Accidental-REX	<i>Processing Paperwork</i>	
6	McAlpin, David M.	Ordinary-REX		Sack *
7	Tew, Gerald R.	Ordinary	<i>Processing Paperwork</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>
18	Fancher, Courtney D.	Accidental	<i>Not Due</i>
19	Allison, Curtis L.	Accidental	<i>Not Due</i>
20	Hilliard, Nanette	Accidental	<i>Not Due</i>

** Medical Board report forwarded to Board.*

There are 20 disability retirees up for reexamination; 4 have pending documentation; 3 are being reviewed by the Board today; 13 are not due at this time.

L. Committee Reports

Administration and Planning:

The Administration and Planning Committee met on October 27, 2015. The Committee's discussion focused on preparing a RFP for Banking Services, which will take several months. There was also a discussion regarding updating the Trustee Manual.

Investment Management Committee:

There was an Investment Management Committee meeting on November 4, 2015, at 11:00 a.m. Trevor Jackson of Summit Strategies gave an update on the Flash Report that indicated that as of September 30, 2015, assets had declined to \$941 million for a funded status of 79% compared to the July 2014 liability. Through November 3, 2015, assets were back up to \$989 million which is an 83% funded status. All allocations were within their target ranges.

The Investment Committee had an internal discussion about the asset liability study and the equity allocation. Summit will be requested to propose a pathway of projected returns for potentially increasing allocations to MLPs and/or real estate. In addition, Summit will be requested to investigate some passive alternatives to get us into the allocation ranges they pointed out in their prior meetings, in particular, emerging markets, international developed, small cap, and U.S. small cap. Mr. Neikirk stated that he would ask Summit to change the slide on page 16 of the Asset Liability Study to explicitly show the emerging market allocation percentage.

The Investment Management Committee also discussed the assumed rate of return, and it was decided that the Committee would delay action at this time.

Other Topics:

- Mr. Gresalfi attended the Association of Municipal Retirement Systems of Virginia Biennial Trustee & Administrators' Conference on October 18 -20, 2015. He will send an email of the presentations to the Trustees.
- The Board heard a presentation from Attorney David Pearline regarding his client, former City employee Mr. Timothy Cottle's request to obtain an early service retirement benefit. Following discussion, there was no action undertaken by the Board because the request did not fall into the responsibility of the Board under the Code.
- Mrs. Nexsen advised that Summit has provided information regarding a pending class action lawsuit affecting a position in the Tortoise capital fund involving Kinder Morgan. The deadline for the filing on the Retirement System's claim is December 26, 2015. It is expected that approximately \$26.2 million dollars will be distributed. The Board approved Mrs. Nexsen proceeding to file the claim.
- The Board also approved a motion for the Investment Committee's recommendation to allow Tortoise to increase its upper limit holdings from 30 to 40.

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

There being no further business, the meeting adjourned at 1:14 p.m.

Chairperson

Acting Executive Director