

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

April 6, 2016

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, April 6, 2016, with Trustee Yvonne Allmond presiding on behalf of Chairperson Stephanie Calliott. The following was the result of the roll call:

Attending the Meeting

Y.T. Allmond
L.A. Bernert
B. Eason
S. Joy-Hogg
E.G. Tucker
C. Garczynski

Absent

S.A. Calliott
C.R. Neikirk
K.W. Crowder
N.E. Nelson

Galen Gresalfi, Executive Director, Mary L.G. 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 on March 2, 2016, were approved.

New Business

A. Applications for Vested Service Retirement:

Emilio Garcia, Active No. 30017, January 1, 2016, with no refund due.
[Utilities]

Brian A. Hallman, Active No. 21791, April 1, 2016, with no refund due.
[Sheriff and Jail]

Carl E. Schwindt, Active No. 29029, April 1, 2016, with no refund due.
[Police]

Bradford L. Corbin, Active No. 20832, May 1, 2016, with no refund due.
[Storm Water Utility]

Mary P. Palmer, Active No. 25245, May 1, 2016, with no refund due.
[Planning]

B. Applications for Normal Service Retirement:

Larry Lombardi, Active No. 32262, May 1, 2016, with no refund due.
[Development]

Dock L. Powell, Active No. 23329, May 1, 2016, with no refund due.
[Utilities]

Leon D. Yoder, Active No. 25440, May 1, 2016, with no refund due.
[Planning]

Barbara J. Reeves, Active No. 33166, June 1, 2016, with no refund due.
[City Auditor]

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

Wallace J. Folscher, Active No. 26304, May 1, 2016, 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 review of applications for disability retirement:

Donnell Fenner, Active No. 27656. This member requested Ordinary Disability Retirement.
[Utilities]

Eugene W. Frank, Active No. 29856. This member requested Accidental Disability Retirement.
[Fire-Rescue]

*The Board approved **Item D** – Application for Ordinary Disability Retirement for Donnell Fenner without further review; and Application for Accidental Disability Retirement for Eugene W. Frank without further review.*

E. Ordinary Death of Employee:

Ivy L. Stacy, Active No. 28720, death occurred February 15, 2016. Beneficiary elected lump sum payment of \$24,838.46.

F. Death of Retired Members:

Viola L. Hicks, Ret. No. 03040, death occurred September 2, 2015. No benefit payable due to no surviving spouse or dependent children.

Vandora Rivers, Ret. No. 05748, death occurred December 28, 2015. No benefit payable due to no surviving spouse or dependent children.

Allen Linwood, Ret. No. 06735, death occurred January 8, 2016. No benefit payable due to no surviving spouse or dependent children.

Nancy C. Mangum, Ret. No. 02921, death occurred January 11, 2016. No benefit payable due to no surviving spouse or dependent children.

Edward D. White, Ret. No. 03889, death occurred February 15, 2016. No benefit payable due to no surviving spouse or dependent children.

John A. Felts, Ret. No. 02970, death occurred February 16, 2016. Spouse elected monthly benefit of \$836.80.

Charles W. Williams, Ret. No. 03676, death occurred February 28, 2016. Spouse elected monthly benefit of \$719.64.

Anthony Caprio, Ret. No. 01251, death occurred March 4, 2016. No benefit payable due to no surviving spouse or dependent children.

Richard W. Webb, Jr., Ret. No. 02507, death occurred March 13, 2016. Spouse elected monthly benefit of \$750.23.

Miller B. Mears, Ret. No. 04037, death occurred March 14, 2016. No benefit payable due to no surviving spouse or dependent children.

John H. Jones, Jr., Ret. No. 07241, death occurred March 15, 2016. Spouse elected monthly benefit of \$564.94.

Dorothy M. Fariss, Ret. No. 04254, death occurred March 16, 2016. No benefit payable due to no surviving spouse or dependent children.

Earl E. Daughtery, Ret. No. 04042, death occurred March 18, 2016. Spouse elected monthly benefit of \$1,014.81.

G. Death of Spouses:

Mary Bailey, Spouse No. 00808, death occurred December 13, 2015. No benefit payable due to no surviving spouse or dependent children.

Virginia P. Saunders, Spouse No. 00844, death occurred February 1, 2016. No benefit payable due to no surviving spouse or dependent children.

Irene I. Bordeaux, Spouse No. 00651, death occurred February 20, 2016. No benefit payable due to no surviving spouse or dependent children.

Mary R. Todd, Spouse No. 00996, death occurred February 20, 2016. No benefit payable due to no surviving spouse or dependent children.

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

H. The Board approved withdrawal of the following contributing members with \$47,073.08 of contributions due:

<u>Member Name</u>	<u>Active Number</u>
Elijah L. Bishop	35388
Daniel H. Cohen	35078
Bruce M. Douglass	34961
Veronica L. Edmonds	35375
Jennifer M. Herring	34902
Sydney O. Lorson	34524
Jino J. Luna	35454
Danielle V. Vannall	34868
Edward V. Woodward	34283
Jerry A. Abbey	34901
Stephanie N. Borre	34863
Datwaun A. Brown	34780
Marlon Caruth	35046
Erika T. Crosby	35283
Romal L. Jones	33470
Dominique I. Moody	35254
Ryan D. Myers	34213
Andrew J. Vinson	34519

Total Members – 18

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

Gourmet Gang (1)	\$	94.11
Medical Consultants of Virginia, Ltd. (2)		300.00
Troutman Sanders LLP (3)		357.00
NowCare Physicians, PC (4)		1,652.25
Cheiron (5)		4,332.00
State Street Corporation (6)		8,600.81
Summit Strategies Group (7)		48,420.00
Retirement Payroll (Payroll est. for April 2016)		<u>6,900,000.00</u>
Total	\$	<u><u>6,963,756.17</u></u>

- (1) Lunch served for Board Meeting - March 2, 2016
- (2) Medical Board Examination (Dr. Brooks)
- (3) Legal Fees - Compliance Checks/IRS Determination Letter
- (4) Medical Board Examination (Dr. Sack)
- (5) Retainer Services - February 2016
- (6) Custodial Services - February 2016
- (7) Investment Consulting Services - January, February and March 2016

J. Disability Reexamination Status:

1	Sitzler, Samuel F.	Accidental-REX	<i>Deferred - pending additional report</i>
2	Tew, Gerald R.	Ordinary	<i>Processing Paperwork</i>
3	Robertson, Denise L.	Accidental	<i>Not Due</i>
4	Cratt, David	Ordinary	<i>Not Due</i>
5	Sydow, Nathan V.	Ordinary	<i>Not Due</i>
6	Lambson, Leland	Ordinary	<i>Not Due</i>
7	Wynn, Nathaniel	Accidental	<i>Not Due</i>
8	Wethington, Mark A.	Accidental-REX	<i>Not Due</i>
9	Marsh, Carnell	Accidental	<i>Not Due - Retirement Age</i>
10	Russell, Clifton D.	Ordinary	<i>Not Due</i>
11	Cole, Keith J.	Accidental-REX	<i>Not Due</i>
12	Fancher, Courtney D.	Accidental	<i>Not Due</i>
13	Allison, Curtis L.	Accidental	<i>Not Due</i>
14	Hilliard, Nanette	Accidental	<i>Not Due - Retirement Age</i>
15	Pratt, Dawn M.	Accidental-REX	<i>Not Due</i>
16	Robertson, Neal A.	Accidental	<i>Not Due</i>
17	Banks, Allen A.	Accidental	<i>Not Due - Retirement Age</i>
18	Brown, Sherrod M. Sr.	Ordinary-REX	<i>Not Due</i>
19	Doke, Annie	Ordinary-REX	<i>Not Due</i>
20	Gannaway, Stephen M.	Accidental	<i>Not Due</i>

There are 20 retirees due for reexamination. One (1) is deferred pending receipt of an additional report; one (1) has pending documentation; three (3) have reach retirement age and will not be subject to future mandatory reexamination; 15 are not due at this time.

K. Committee Reports:

Administration and Planning:

There was not an Administration and Planning Committee meeting. A meeting is scheduled for Monday April 18, 2016.

Investment Management:

There was an Investment Management Committee meeting on Wednesday, April 6, 2016, at 11:45 a.m., with Trustee Lawrence Bernert presiding on behalf of Chairperson Christopher Neikirk. Trevor Jackson of Summit Strategies was on conference call for the meeting. The committee reviewed the costs associated with the transition of the equity portion of the portfolio to the MSCI ACWI IMI index, which was approved at the February 3, 2016, meeting of the Board of Trustees. The initial estimate of \$20,000 in transaction fees associated with the transition, was found to be incorrect and revised estimates were significantly higher. Summit Strategies group, on behalf of the System, negotiated with State Street Global Advisors, who will be executing the transition, to mitigate the increase in costs. The revised estimate came in at roughly three times the cost that was initially quoted, with State Street agreeing to reimburse

the Plan up to \$50,000 for expenses incurred over \$50,000. In order to mitigate some of the costs that may result from market impact, State Street also asked the Plan for flexibility on timing the trades, which are usually done bi-monthly. Trevor Jackson explained that a special opening would occur in the first or second week after a decision is made to move forward and the trade would occur over a one, two or three day period to be more efficient.

A motion was made and approved by the Board to proceed with the transition as proposed.

Other Topics:

L. Portability of Service Inquiry and Freedom of Information Act (FOIA) Response

Officer Jerry Warner spoke to the Board regarding his request to transfer his service years as a City of Norfolk Deputy Sheriff from the Virginia Retirement System (VRS), to the Norfolk Employees' Retirement System (NERS), in which he became a member after becoming a Police Officer in 2005. Officer Warner stated that he was unaware of the portability agreement between VRS and NERS until recently and that he inquired several times over his years of employment whether he could merge his service time from VRS into NERS and was told he could not.

Officer Warner stated that he had initiated a FOIA request to find out how many portability transfers from VRS into NERS had been completed since 2005, and according to the information he received, there were none. Mr. Gresalfi later clarified to the Board that two FOIA requests had been received and responded to regarding the number of portability transfers executed since 2005. Officer Warner spoke to how the 18 month eligibility window to request a portability transfer has expired in his case and asked that the Board provide a response to his inquiry.

Ms. Nexsen stated that the portability agreement between the Virginia Retirement System and the City of Norfolk provides a window of 18 months after an employee vests to transfer their benefits from VRS to NERS. Ms. Nexsen stated that the Board does not have the authority to override the agreement, and that the portability requirements are applied consistently to all employees.

The Board asked NERS staff to make a due diligence effort to explore and review what alternatives there are for Officer Warner, if any, and to respond to him formally. Additionally, the Board asked staff to review the current infrastructure to ensure that every effort is being made to inform employees of their benefits. Mr. Gresalfi stated the Retirement Office would review the matter and report back to the Board.

M. Update of Auditor Services Request for Proposal

The current contract for Auditing Services is out to bid and the City is currently in the process of evaluating proposals. The Board will be advised when a decision has been made.

N. 2016 NAPPA

Mary Lou Nexsen requested the Board’s permission to attend the 2016 NAPPA Pension Attorneys Conference in June. The Board approved the motion for Ms. Nexsen to attend the conference.

O. Reappointments to the Board of Trustees:

On Tuesday, March 22, 2016, City Council reappointed Christopher Neikirk and Arthur Eason to the Employees’ Retirement System Board of Trustees for a term beginning January 1, 2016 and expiring December 31, 2019.

P. Medical Board Update

The Board received notice that Medical Board physician Dr. Chantal Brooks is retiring effective May 1, 2016. The Retirement Office will be working through the City’s Purchasing Division to increase the number of physicians on the Medical Board roster.

Q. Adjournment

The next meeting is scheduled for Wednesday, May 4, 2016, at 12:00 p.m.

There being no further business, the meeting adjourned at 12:40 p.m.

Chairperson

Executive Director