

Minutes of the Regular Monthly Meeting

Board of Trustees

Employees' Retirement System

May 4, 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 May 4, 2016, 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
Y.T. Allmond
K.W. Crowder
B. Eason
S. Joy-Hogg
N.E. Nelson
E.G. Tucker
C. Garczynski

Absent

S.A. Calliott
L.A. Bernert

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 April 6, 2016 were approved.

New Business

A. Applications for Vested Service Retirement:

Thomas R. Griffin, Active No. 29372, August 1, 2015, with no refund due.
[Public Works]

Charles J. Brown III, Active No. 29059, March 1, 2016, with no refund due.
[Information Technology]

Jeffrey S. Mahan, Active No. 26422, June 1, 2016, with no refund due.
[Police]

George D. Bailey, Active No. 24732, July 1, 2016, with no refund due.
[Fleet Management]

B. Application for Early Service Retirement:

Jeffery M. Balen, Active No. 27616, June 1, 2016, with no refund due.
[Police]

C. Applications for Normal Service Retirement:

Michael L. Bickley, Active No. 31739, June 1, 2016, with no refund due.
[General Services]

Shirley Gregory, Active No. 28722, June 1, 2016, with no refund due.
[Human Services]

Cecelia Y. Stevenson, Active No. 24980, June 1, 2016, with no refund due.
[Police]

Michael R. Tutor, Active No. 26914, June 1, 2016, with no refund due.
[Police]

Corina Aguilar, Active No. 33534, July 1, 2016, with no refund due.
(Norfolk Community Services Board)

Peter J. Boone, Active No. 21513, July 1, 2016, with no refund due.
[Recreation Parks and Open Space]

Paul D. Fraim, Active No. 27491, July 1, 2016, with no refund due.
[Legislative]

Marina Marcano, Active No. 25511, July 1, 2016, with no refund due.
[Recreation Parks and Open Space]

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

Roy E. Davis, Active No. 26584, June 1, 2016, 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; and **Item D** – Application for Deferred Retirement Option Program (DROP).*

E. Medical Board Review of Application for Disability Retirement:

William T. Gray, Active No. 29947. This member requested ordinary disability retirement.
[Public Works]

*The Board approved **Item E** – Application for ordinary disability retirement, effective June 1, 2016, pending clarification from physician on reexamination status.*

F. Death of Retired Members:

Ronnie Little, Ret. No. 07094, death occurred March 2, 2016. Spouse elected monthly benefit of \$343.54.

Lloyd C. Allgood, Ret. No. 03335, death occurred March 14, 2016. No benefit payable due to no surviving spouse or dependent children.

Mary F. Boykins, Ret. No. 01973, death occurred March 16, 2016. No benefit payable due to no surviving spouse or dependent children.

James Brooks, Ret. No. 07143, death occurred March 19, 2016. No benefit payable due to no surviving spouse or dependent children.

Lloyd E. Miller, Ret. No. 02099, death occurred March 22, 2016. No benefit payable due to no surviving spouse or dependent children.

Sarah M. Wagner, Ret. No. 06243, death occurred March 25, 2016. No benefit payable due to no surviving spouse or dependent children.

William H. Johnson, Ret. No. 06448, death occurred March 28, 2016. No benefit payable due to no surviving spouse or dependent children.

Thomas P. Bowers, Ret. No. 07058, death occurred April 25, 2016. Spouse elected monthly benefit of \$956.78.

*The Board approved **Item F** – Death of Retired Members.*

G. The Board approved withdrawal of the following contributing members with \$66,265.83 of contributions due:

<u>Member Name</u>	<u>Active Number</u>
Troy Hinzpeter	32972
Julio C. Rodriguez	33236
Joshua V. Pemberton	33433
Amy M. Storer	33473
Ivy Best	33550
Marcus L. Waters	33382
William L. Boykins	33923
Christopher J. Krus	34147
Vincent A. Lebron	34167
Emerson B. Carroll	34197
Erin L. Fox	34459
Joshua P. Ledson	34497
Sheila M. Cross	34610
Cindy S. Foster	34790
Steven R. Wright	34786
Andricka M. Jackson	34802
Alexis D. Digennaro	34810
Mishael V. Jones	34836
Kimberly A. Walker	34947
Joseph T. Svoke	35015
Daniel P. Scanlon	35044
Ernest Z. Maranan	35016
Lynn R. Benson	35095
Alexis A.N. Stockton Holz	35114
Brandon C. Gardner	35160
Eugene L. Bazemore	35174
Amber M. Wasiejko	35204
Miranda C. Miller	35281
Janae E. Emerson	35284

Aisha S. Matthews	35321
Cynthia J. Dent	35352
Derrick C. White	35366
Dillon S. Kivo	35358
James R. Ink	35480
Gregory J. Brown	35495
Losko Bell, Jr.	35508

Total - 36

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

Gourmet Gang (1)	\$	96.57
Mary Lou Nexsen (2)		895.00
NowCare Physicians, PC (3)		1,202.25
Cheiron (4)		4,869.88
Retirement Payroll (Payroll est. for May 2016)		6,900,000.00
		<hr/>
Total	\$	<u>6,907,063.70</u>

- (1) Lunch served for Board Meeting - April 6, 2016
- (2) Reimbursement - Registration Fee 2016 NAPPA Conference
- (3) Medical Board Examination (Dr. Sack)
- (4) Retainer Services - March 2016

I. 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	Russell, Clifton D.	Ordinary	<i>Not Due</i>
10	Cole, Keith J.	Accidental-REX	<i>Not Due</i>
11	Fancher, Courtney D.	Accidental	<i>Not Due</i>
12	Allison, Curtis L.	Accidental	<i>Not Due</i>
13	Pratt, Dawn M.	Accidental-REX	<i>Not Due</i>
14	Robertson, Neal A.	Accidental	<i>Not Due</i>
15	Brown, Sherrod M. Sr.	Ordinary-REX	<i>Not Due</i>
16	Doke, Annie	Ordinary-REX	<i>Not Due</i>
17	Gannaway, Stephen M.	Accidental	<i>Not Due</i>

There are 17 disability retirees up for reexamination; 1 (one) is deferred pending an additional report; 1 (one) has paperwork in process; 15 are not due at this time.

J. Committee Reports:

Administration and Planning:

The Administration and Planning Committee met on April 18, 2016 to review the Trustee Manual. The Committee plans to meet on May 16, 2016 to discuss the RFP for Banking Services.

Investment Management:

There was not an Investment Management Committee meeting. Chris Neikirk updated the Board on the Fund and the transition that occurred in April. As of March 31, 2015, the market value of assets was \$958 million compared to the July 2015 liability of \$1.2 billion, which is a funding ratio of about 78%. As of March 31, 2016, all of the allocations were within their target ranges.

As of April 2016, the Russell 3000 and ACWI Ex-US equity positions were transitioned to the ACWI Global IMI Index. The transition costs were estimated to be over \$100,000 dollars. However, as a result of fluctuations in the market at the time of the transition, the Fund ended up with a gain of \$35,000 dollars, which includes offsetting the commissions paid for the portion of the portfolio that could not be transitioned in kind.

Other Topics:

The Board was updated on the status of the portability eligibility review pertaining to Officer Jerry Warner, who spoke before the Board at the April 6, 2016 meeting regarding his experience with portability of service. Galen Gresalfi and Mary Lou Nexsen stated that a review of the Virginia Retirement System (VRS) portability agreement and the Municipal Code confirmed that the window of opportunity had passed for Officer Warner to make a request to port his eligible service from VRS to NERS. In addition, no provisions were found that would allow latitude to change or override any of the requirements in the Agreement or Code to accommodate his particular circumstances. The review concluded that no recommendation could be brought before the Board or the Administration which would satisfy Officer Warner's request for reconsideration of his portability of service request.

Galen Gresalfi, with the guidance of Ms. Nexsen, will draft a letter to Officer Warner to advise him of the review and findings regarding his request.

Mr. Gresalfi also informed the Board that the Retirement website had recently been updated with pre-retirement FAQs and that an ALLNORFOLK email had been sent advising employees to contact the Retirement Office for any retirement or pre-retirement questions they have. Additionally, Capri-Stanley-Smith stated that Human Resources staff have been advised to direct all retirement related questions to the Retirement Office.

Galen Gresalfi updated the Board on the status of the project to scan and digitize the retirement system files. The vendor provided a quote of \$15,000 to \$30,000 dollars to scan and digitize the documents. The high quote is based on approximately 500,000 pages needing to be scanned which may be a bit high. The retention requirement for retirement records is 50 years which means that nearly every document must be scanned. The current phase of the scanning project

involves scanning the backlog of files accumulated over many years. The goal is to eventually go paperless, which is in-line with the City initiative. The Laserfische software currently used by the City will be utilized to store and access the digital files. The costs for the project will be borne by the Retirement System.

Sabrina Joy-Hogg informed the Board that the City Manager presented his proposed budget to City Council on April 12, 2016, and it includes a one-time, two percent COLA increase for retirees. The budget also proposed that a resolution be passed which states that future COLAs and bonuses are to be funded from the General Fund. Ms. Joy-Hogg explained that due to accounting rule changes, an established pattern of giving COLAs, as confirmed by the actuaries, results in an approximately \$20 million dollar cash impact to the General Fund. The proposed COLA would be funded through the retirement system with the resolution stating that future payments would be funded by the General Fund.

The next meeting is scheduled for June 1, 2016 at 12:00 p.m.

There being no further business, the meeting adjourned at 12:28 p.m.

Chairperson

Executive Director