

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

June 1, 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 June 1, 2016, 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
S. Joy-Hogg
E.G. Tucker
C. Garczynski

Absent

K.W. Crowder
B. Eason
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 attended the meeting. Intern Ian Frazier, from Larry Bernet's office, was also present.

The minutes for the meeting held on May 4, 2016, were approved.

New Business

A. Applications for Vested Service Retirement:

Elvira J. Etheridge, Active No. 21410, June 1, 2016, with no refund due.
[Human Services]

Susan L. Scott, Active No. 19390, July 1, 2016, with no refund due.
[Lake Taylor City Hospital]

David B. Sivyver, Active No. 25875, July 1, 2016, with no refund due.
[Recreation Parks and Open Space]

Christine P. Bell, Active No. 25763, August 1, 2016, with no refund due.
[Public Works]

Lance W. Wolff, Active No. 26480, August 1, 2016, with no refund due.
[Finance]

B. Application for Early Service Retirement:

Wilbur M. Bailey, Active No. 27215, July 1, 2016, with no refund due.
[Police]

C. Applications for Normal Service Retirement:

Vivian C. Caputo, Active No. 33164, July 1, 2016, with no refund due.
[Library]

William F. Combs, Jr., Active No. 30560, July 1, 2016, with no refund due.
[Library]

Mark A. George, Active No. 24685, July 1, 2016, with no refund due.
[Fire Rescue Services]

William D. Sluss, Active No. 24224, July 1, 2016, with no refund due.
[Finance and Business Services]

Jerry J. Standridge, Active No. 28963, July 1, 2016, with no refund due.
[Information Technology]

Valerie F. Trotter, Active No. 24889, July 1, 2016, with no refund due.
[Human Services]

Barclay C. Winn, Active No. 29070, July 1, 2016, with no refund due.
[Legislative]

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

David C. Taylor, Active No. 21705, July 1, 2016, with no refund due.
[Fire Rescue Services]

*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 Reevaluation Status:

Gerald R. Tew, Ret. No. 06997, annual follow up on status of reevaluation for ordinary disability retirement.

William T. Gray, Active No. 29947, follow up on clarification of reexamination status for ordinary disability retirement.

*The Board approved **Item E** – Continuation of ordinary disability retirement for Gerald R. Tew, with reexamination in one year; and Continuation of ordinary disability retirement for William T. Gray, with no further review due to attaining normal service retirement age.*

F. Ordinary Death of Employees:

Louis N. Tucker, Active No. 31098, death occurred April 1, 2016. Beneficiary elected lump sum payment of \$18,983.86.

Melvin W. Ringer, Active No. 29069, death occurred April 18, 2016. Beneficiary elected lump sum payment of \$68,589.14.

G. Death of Retired Members:

Louise H. Hall, Ret. No. 02761, death occurred April 8, 2016. No benefit payable due to no surviving spouse or dependent children.

Silas McCrease, Ret. No. 03357, death occurred April 17, 2016. Spouse elected monthly benefit of \$870.83.

Thomas E. Merritt, Ret. No. 05646, death occurred April 21, 2016. Spouse elected monthly benefit of \$429.66.

Esther J. Lucas, Ret. No. 03438, death occurred April 25, 2016. No benefit payable due to no surviving spouse or dependent children.

Georgia N. Bullock, Ret. No. 03601, death occurred April 30, 2016. Spouse elected monthly benefit of \$321.19.

Joseph N. Scott, Ret. No. 02817, death occurred May 10, 2016. Spouse elected monthly benefit of \$691.17.

Emily P. Sharpless, Ret. 04784, death occurred May 21, 2016. Beneficiary elected lump sum payment of \$23,924.19.

H. Death of Spouse:

Annie M. Johnson, Spouse No. 00480, death occurred April 15, 2016. No benefit payable due to no surviving spouse or dependent children.

*The Board approved **Item F** – Ordinary Death of Employees; **Item G** – Death of Retired Members; and **Item H** – Death of Spouse.*

I. The Board approved withdrawal of the following contributing members with \$40,171.23 of contributions due:

<u>Member Name</u>	<u>Active Number</u>
Frederick B. Riccio, Jr.	31192
Brandon L. Huntley	33230
Jeneen P. White	33952
Donell Braxton	34146
Brendan T. Odonnell	34542
Kevin D. Sampson	34592
Chelsea M. Schweizer	34636
Cherie R. Gunn	34811
Kimberly R. Lane	35111
Tavain W. Tucker	35136
Aileen M. Alley	35345
Shawn P. Hathaway	35474
Joseph E. Higgins	35449
Jarrid M. Lopez	35510
Louis A. Almodovar	35575

Total – 15

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

Gourmet Gang (1)	\$ 114.68
Mary Lou Nexsen (2)	572.70
Cheiron (3)	6,405.25
State Street Corporation (4)	19,687.48
Retirement Payroll (Payroll est. for June 2016)	<u>6,900,000.00</u>
Total	<u><u>\$ 6,926,780.11</u></u>

- (1) Lunch served for Board Meeting - May 4, 2016
- (2) Reimbursement - Airfare to 2016 NAPPA Conference
- (3) Retainer Services - April 2016/COLA Cost/Projections
- (4) Custodial Services - March and April 2016

K. Disability Reexamination Status:

1	Sitzler, Samuel F.	Accidental-REX	<i>Deferred - pending additional report</i>
2	Tew, Gerald R.	Ordinary-REX	<i>Sack</i>
3	Robertson, Denise L.	Accidental	<i>Processing Paperwork</i>
4	Cratt, David	Ordinary	<i>Processing Paperwork</i>
5	Sydow, Nathan V.	Ordinary	<i>Processing Paperwork</i>
6	Lambson, Leland	Ordinary	<i>Processing Paperwork</i>
7	Wynn, Nathaniel	Accidental	<i>Processing Paperwork</i>
8	Wethington, Mark A.	Accidental-REX	<i>Processing Paperwork</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>
18	Gray, William T.	Ordinary	<i>Not Due</i>

Medical Board report forwarded to Board.

There are 18 disability retirees up for reexamination; 1 is deferred pending an additional report; 1 is being reviewed today; 6 have paperwork in process; 10 are not due at this time.

L. Committee Reports:

Administration and Planning:

There was not an Administration and Planning Committee meeting in May. A meeting is scheduled for June 6, 2016. The agenda for the June meeting includes the Banking RFP, as well as a discussion based on Code 37-67(b) from today's meeting.

Investment Management:

There was not an Investment Committee meeting in June. Mr. Christopher Neikirk provided a brief update of the fund balances. As of April 30, 2016, fund assets were \$974 million against a \$1.2 million liability, which is a slight increase from the prior month and a 79.5 percent funding ratio. The allocations are all within their target ranges. Generally, performance was flat except MLPs, which bounced back in April. The Monthly Capital Market snapshot for May indicates that the new index MSCI ACWI IMI was basically flat. U.S. Equities were up and International Equities were slightly down. Fixed Income was flat. MLPs were up about 2.5 percent and the REITS were up about 2.5 percent. We are in the queue for an increase in Real Estate. Mr. Neikirk will attempt to have PIMCO provide a presentation in July.

Other Topics:

The Board discussed Docket Item E, Medical Board Review of Reexamination Status, and the interpretation of City Code Section 37 – 67(b) (Reexamination of and Reduction of Benefits for Beneficiaries Retired on Account of Disability). Mary Lou Nexsen spoke to the provision in Chapter 37 which speaks to the mechanism by which a disability allowance can be reduced in the case that a disability retiree’s medical circumstances are deemed, by the Medical Board, to have improved to the point of allowing for the individual to engage in gainful employment. Ms. Nexsen advised that the City does not currently have a process or an obligation to reinstate an individual to a position. The Board concluded that the interpretation of the mechanism described in the Code, relative to the reduction of an allowance should the Medical Board deem a disability retiree is able to return to gainful employment, needs to be reviewed and possibly rewritten.

Ms. Calliott requested that the Administration and Planning Committee review City Code 37 – 67(b) within the next 3 months. It was agreed that the review be conducted with the goal of making the review process prescriptive to eliminate the need for the Board to make subjective decisions in these cases. As Chair of the Administration and Planning Committee, Ms. Garczynski will take the lead on the review and rewrite of Code 37-67(b).

The Board discussed the current ordinary disability process as it relates to normal service retirement eligibility. Galen Gresalfi advised that for the purposes of Retirement System records, once an individual is retired, their retirement allowance classification does not change. Mr. Neikirk also raised the question of whether health insurance benefits were being provided, at cost to the Retirement System, for employees who retire with ordinary disability benefits as compared to employees who have normal service retirement. Mrs. Capri Stanley-Smith will review the matter and provide information on the subject at the next meeting.

Ms. Joy-Hogg stated that the July meeting is the beginning of the fiscal year, and is the time the Board determines the interest rate for the pay out of contributions. Mr. Gresalfi is working on the matter, and stated that the Board determined last year that the rate would come from Bankrate.com, based on a one-year CD rate.

Ms. Allmond stated that the last Administration meeting included a discussion related to Trustees not having attended classes or other training as has been done in the past, and that the Administrative Committee may want to review the matter.

The next meeting is scheduled for July 6, 2016, at 12:00 p.m.

There being no further business, the meeting adjourned at 1:01 p.m.

Chairperson

Executive Director