

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

September 7, 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 fifth floor conference room in the City of Norfolk, Virginia. The meeting began at 12:25 p.m. on September 7, 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
N.E. Nelson
E.G. Tucker
C. Garczynski (Investment Committee only)

Absent

K.W. Crowder
B. Eason

Galen Gresalfi, Executive Director, Mary L.G. Nexsen, Deputy City Attorney, Karyn Bernas, Acting Assistant Human Resources Director, Adele Daniels, Administrative Assistant II and Penny DeLosh, Accountant IV also attended the meeting. Adisa Muse, Executive Assistant to the Mayor and Louis DeCuir, a City of Norfolk resident, attended the meeting as observers.

The minutes for the meeting held on August 3, 2016, were approved.

New Business

A. Applications for Vested Service Retirement:

Lathan Hill, Active No. 19642, August 1, 2010, with no refund due.
[Utilities]

Carolyn D. Conine, Active No. 18077, December 1, 2014, with no refund due.
[Courts]

John F. Acela, Active No. 25733, April 1, 2016, with no refund due.
[Planning]

Paul J. Elmore, Active No. 28657, June 1, 2016, with no refund due.
[Fire Rescue Services]

Brett T. Johnson, Active No. 27293, September 1, 2016, with no refund due.
[Police]

Yanping Qi, Active No. 29003, September 1, 2016, with no refund due.
[Comtech]

Carl A. Brockett, Active No. 32649, October 1, 2016, with no refund due.
[Human Services]

Jeffery Parker, Active No. 23863, October 1, 2016, with no refund due.
[Utilities]

Farzin A. Zakeri, Active No. 26327, November 1, 2016, with no refund due.
[Public Works]

B. Applications for Early Service Retirement:

Ray C. Goins, Active No. 29369, October 1, 2016, with no refund due.
[Public Works]

Shaun R. Wilkinson, Active No. 30133, October 1, 2016, with no refund due.
[Fire-Rescue]

Florine Wilkins-Peterson, Active No. 28522, November 1, 2016, with no refund due.
[Cultural Facilities, Arts & Entertainment]

C. Applications for Normal Service Retirement:

Annie M. Bryant, Active No. 28762, October 1, 2016, with no refund due.
[Planning]

Connie M. Collins, Active No. 21194, October 1, 2016, with no refund due.
[Utilities]

Wallace R. Driskell, Jr., Active No. 18939, October 1, 2016, with no refund due.
[Police]

Jeffrey W. Ecobichon, Active N. 25049, October 1, 2016, with no refund due.
[General Services]

Richard L. Holly, Active No. 20417, October 1, 2016, with no refund due.
[Public Works]

Lee A. Perkins, Active No. 23508, October 1, 2016, with no refund due.
[Planning]

Debra L. Shelton, Active No. 25872, October 1, 2016, with no refund due.
[Utilities]

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

Paul S. Chadwick, Active No. 21607, October 1, 2016, with no refund due.
[Fire-Rescue]

Jeffrey T. Dunn, Active No. 25970, October 1, 2016, with no refund due.
[Police]

Russell N. Johnson, Active No. 27095, October 1, 2016, with no refund due.
[Police]

Alexander D. McConnaghy, Active No. 26307, October 1, 2016, with no refund due.
[Police]

Fred L. Pratt, Active No. 25990, October 1, 2016, with no refund due.
[Police]

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

E. Medical Board Follow up Review of Accidental Disability Retirement Status:

Samuel F. Sitzler, Ret. No. 6580, on accidental disability retirement benefits. [Parking]

The Board did not approve Item E – Follow up Review of Accidental Disability Retirement Status for Samuel F. Sitzler. Accidental Disability Retirement Benefits are rescinded as recommended by the Medical Board, effective October 1, 2016.

F. Ordinary Death of Employees:

Glenn R. Brothers, Active No. 34999, death occurred May 20, 2016. Beneficiary due refund of contributions only.

William E. Henley, Active No. 23589, death occurred July 19, 2016. Beneficiary lump sum payment of \$9,898.17.

Leslie L. Booker, Active No. 15459, death occurred August 4, 2016. Beneficiary lump sum payment of \$13,951.21.

Milton A. Joyner, Jr., Active No. 11309, death occurred August 22, 2016. Beneficiary lump sum payment of \$13,208.18.

G. Death of Retired Members:

Aaron McKinney, Ret. No. 03932, death occurred July 10, 2016. Spouse elected monthly benefit of \$607.37.

George Crawley, Ret. No. 03983, death occurred July 27, 2016. Spouse elected monthly benefit of \$2,108.24.

William H. Luther, Ret. No. 04654, death occurred August 8, 2016. Spouse elected monthly benefit of \$1,021.78.

Bradley E. Dunham, Ret. No. 07267, death occurred August 15, 2016. Spouse elected monthly benefit of \$811.83.

Wilson E. Morse, Ret. No. 05558, death occurred August 21, 2016. Spouse elected monthly benefit of \$1,507.42.

H. Death of Spouses:

Nancy M. Green, Spouse No. 0675, death occurred June 10, 2016. No benefit payable due to no surviving spouse or dependent children.

Norman K. Powell, Spouse No. 0931, death occurred June 20, 2016. No benefit payable due to no surviving spouse or dependent children.

Evelyn Payton, Spouse No. 1014, death occurred July 3, 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 Spouses.

I. The Board approved withdrawal of the following contributing members with \$69,041.97 of contributions due:

<u>Member Name</u>	<u>Active Number</u>
Randy M. Penny	33310
Jason T. Baines	33460
Dakota O. Dovel	33808
Adidas Arrington	34035
James A. Richie	34044
Edwin Ortiz	34038
Jason S. Weeks	34241
Nicole A. Delisle	34751
Vernestine Woods	34756
Travis N. Lawhorn	34815
Joseph L. Annaruma, Jr	34825
Atalia L. Moore	35112
Sarah G. Richards	35113
Jeffrey A. Sheckells	35231
Nectarios W. Obunga	35462
Kevin M. Grear	35507
Rebecca E. Meadows	35571
Ronnie A. Jones	35619
Scott N. Connelly	35658

Total - 19

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

Gourmet Gang (1)	\$ 101.07
NowCare Physicians, PC (2)	300.00
Cheiron (3)	5,552.75
State Street Corporation (4)	8,757.36
City of Norfolk (5)	24,357.70
KPMG LLP (6)	29,700.00
Retirement Payroll (Payroll est. for September 2016)	<u>6,900,000.00</u>
 Total	 <u>\$ 6,968,768.88</u>

- (1) Lunch served for Board Meeting - August 3, 2016
- (2) Medical Board Examination (Dr. Sack)
- (3) Retainer Services/Portability Calc - July 2016
- (4) Custodial Services - July 2016
- (5) Reimbursement - Balance Administrative Expenses - FY16
- (6) Professional Tax Consulting Services

K. Disability Reexamination Status:

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

Medical Board report forwarded to Board.

L. Committee Reports

Administration and Planning:

There was not an Administration and Planning Committee meeting.

Investment Management:

Christopher Neikirk reported that there was an Investment Management Committee meeting on September 7, 2016, at 11:00 a.m. Trevor Jackson of Summit Strategies discussed the expected rate of returns and offered projections on 10 and 30-year expected returns, which are below the current assumed return of 7%. Projected returns were 6.5% for 30 years and 5.8% for 10 years.

There was a discussion on the risk return tradeoff over time. The Plan is getting less return per unit of risk and Summit does not recommend that the Plan take on more risk at this time as it would not be compensated for it.

The Committee was solicited for their opinions in regard to lowering the expected rate of return and it was decided that more information was needed before coming to a decision. Mr. Neikirk stated he would put together a list of additional information needed, and circulate it to the members to assure there is useful data for discussion. The list will include information from the system actuaries and investment consultants.

Following on a previous comment by Ms. Calliott, Mr. Neikirk discussed the possibility of the Committee initiating a review and a RFP for consultants. This action would give the Committee an opportunity to assess other consultants in the market, as well as maintain a fresh perspective in knowing what the options are relative to expenses. Mr. Neikirk suggested that the Committee take a look at proceeding with this process after the expected asset return decision has been made.

Mr. Neikirk reported that as of July 31, 2016, plan assets were \$999 million.

Other Topics:

Ms. Calliott inquired about the Board of Trustees presentation to City Council. Ms. Joy-Hogg stated that the presentation would most likely occur in January, and the Board and the Systems' actuary would be informed in a timely manner to confirm the time on their schedules.

The next meeting is scheduled for October 5, 2016, at 12:00 p.m.

There being no further business, the meeting adjourned at 12:47 p.m.

Chairperson

Executive Director

