

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

November 9, 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 tenth floor conference room in the City of Norfolk, Virginia. The meeting began at 12:10 p.m. on November 9, 2016, with Chairperson Stephanie A. Calliott presiding. The following was the result of the roll call:

Attending the Meeting

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

Absent

N.E. Nelson

Marcus Jones, City Manager, Galen Gresalfi, Executive Director, Mary L.G. Nexsen, Deputy City Attorney, and Penny DeLosh, Programs Manager, attended the meeting.

The minutes for the meeting held on October 5, 2016, were approved.

New Business

A. Applications for Vested Service Retirement:

Leon McDaniels, Active No. 19532, December 1, 2014, with no refund due.
[Human Services]

Bruce Bernheim, Active No. 19598, December 1, 2016, with no refund due.
[Utilities]

Gregory L. Sharpe, Active No. 19846, January 1, 2017, with no refund due.
[Public Works]

Melodye R. Surface, Active No. 31059, February 1, 2017, with no refund due.
[Executive Department]

B. Applications for Early Service Retirement:

Crystal A. Hays, Active No. 25659, January 1, 2017, with no refund due.
[Human Services]

Rodney J. Fentress, Active No. 28153, February 1, 2017 with no refund due.
[Police]

C. Applications for Normal Service Retirement:

Rodney R. Talley, Active No. 17865, December 1, 2016, with no refund due.
[Utilities]

Brenda J. Amos, Active No. 22022, January 1, 2017, with no refund due.
[Human Services]

Larry W. Jones, Active No. 24823, January 1, 2017, with no refund due.
[Public Works]

Robert A. Lacewell, Active No. 25210, December 1, 2016, with no refund due.
[Utilities]

Earnest Henderson, Active No. 25225, December 1, 2016, with no refund due.
[General Services]

Vanessa M. Stewart, Active No. 26289, January 1, 2017, with no refund due.
[City Assessor]

Curtis A. Kelecava, Active No. 26579, January 1, 2017, with no refund due.
[Information Technology]

Iris Y. Droz, Active No. 26752, December 1, 2016, with no refund due.
[Human Services]

Raffael Shepherd, Active No. 32506, December 1, 2016, with no refund due.
[Public Works]

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

None

*The Board approved **Item A** – Applications for Vested Service Retirement; **Item B** – Applications for Early Service Retirement; and **Item C** – Applications for Normal Service Retirement.*

E. Medical Board Review of Request for Ordinary Disability Retirement Benefits:

None

F. Ordinary Death of Employee:

William A. Bailey, Active No. 28684, death occurred September 24, 2016. Beneficiary elected lump sum benefit of \$22,892.03.

G. Death of Retired Members:

Elwood L. Ewell, Ret. No. 02256R, death occurred September 23, 2016. No benefit payable due to no surviving spouse or dependent children.

Jessie Dew, Ret. No. 03324R, death occurred September 21, 2016. Unclaimed benefit letter pending.

Willie L. Johnson, Ret. No. 04451R, death occurred October 8, 2016. No benefit payable due to no spouse on record.

Michael J. Babashanian, Ret. No. 05859R, death occurred October 6, 2016. Spouse election of benefit pending.

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

H. Death of Member Eligible for Vested Retirement Benefit

Dana Haskett, Active No. 21067, death occurred June 25, 2016. Vested retiree benefit eligibility April 1, 2016. Retroactive allowance payments payable to member’s estate. Spouse elected monthly benefit of \$130.55.

Mr. Gresalfi explained the death of the member occurred after the member was eligible to receive a vested retirement benefit, but the member had not yet submitted their retirement paperwork. The member was eligible for a vested retirement benefit at the time of his death, thus the member’s estate became entitled to his vested benefit retroactively to the date the member would have been eligible. In addition, the spouse is eligible for the surviving spouse death benefit.

I. Death of Spouses:

Wilhelmina E. Renz, Spouse No. 00291N, death occurred October 1, 2016. No benefit payable.

Sara Lockwood, Spouse No. 00876N, death occurred October 9, 2016. No benefit payable.

*The Board approved **Item H** – Death of a Member Eligible for Vested Retirement Benefit; and **Item I** - Death of Spouses.*

J. The Board approved withdrawal of the following contributing members with \$54,418.62 of contributions due:

<u>Member Name</u>	<u>Active Number</u>
Justin C. Frazier	35444
Denisha L. Mason	35054
Nora C. Mckeller	35458
Jonathan Z. Moots	34872
David C. Neirle	34071
Regina Pitt	34566
Chloe N. Riordan	35691

Benjamin B. Tokarz	35752
Amanda R. Velosa-redenuis	35702
Valjean L. Ware	33908
Gregory Ash	35478
Trevon D. Boone	34357
Latrice S. Ellerbe	35662
Jean A. Jacobs	35670
Karen P. Owen	35574
Kaitlin J. Rebello	34263
Tevin J. Ussin	34269
Joel C. Wiedel	34180
Shelton L. Williams, Jr.	35725

Total – 19

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



Troutman Sanders (1)	\$ 4,777.00
Gourmet Gang (2)	92.88
Cheiron (3)	16,552.56
NowCare Physicians, PL (4)	300.00
Retirement Payroll (Payroll est. for October 2016)	6,900,000.00
Total	<u>\$6,921,722.44</u>

- █ (1) IRS Determination Letter
- █ (2) Lunch served for Board Meeting - October 5, 2016
- █ (3) Retainer Services and Audit Expenses - August & September
- █ (4) Disability re-examination of Nathaniel Wynn

L. Disability Reexamination Status:

1	Robertson, Denise L.	Accidental	<i>Processing Paperwork</i>
2	Cratt, David	Ordinary	<i>Processing Paperwork</i>
3	Sydow, Nathan V.	Ordinary	<i>Processing Paperwork</i>
4	Lambson, Leland	Ordinary	<i>Processing Paperwork</i>
5	Wethington, Mark A.	Accidental-REX	<i>Processing Paperwork</i>
6	Russell, Clifton D.	Ordinary	<i>Not Due</i>
7	Cole, Keith J.	Accidental-REX	<i>Not Due</i>
8	Fancher, Courtney D.	Accidental	<i>Not Due</i>
9	Allison, Curtis L.	Accidental	<i>Not Due</i>
10	Pratt, Dawn M.	Accidental-REX	<i>Not Due</i>

11	Robertson, Neal A.	Accidental	<i>Not Due</i>
12	Brown, Sherrod M. Sr.	Ordinary-REX	<i>Not Due</i>
13	Doke, Annie	Ordinary-REX	<i>Not Due</i>
14	Gannaway, Stephen M.	Accidental	<i>Not Due</i>
15	Tew, Gerald R.	Ordinary	<i>Not Due</i>
16	Wynn, Nathaniel	Accidental-REX	<i>Not Due</i>

***There are 16 disability retirees up for reexamination;
5 have paperwork in process; 11 are not due at this time.***

M. Previous Docket Amendments

- The following retirees approved for vested retirement were ineligible due to normal service retirement age 65 for members subsequent to July 1, 1980, and separated prior to January 1, 1997:
 - a. Jeffrey Parker, Active No. 23863, effective October 1, 2016 – September 7, 2016 docket.
 - b. Sandra Hindlin Thompson, Active No. 22690, effective October 1, 2016 – October 5, 2016 docket.
- James Mahone, Ret. No. 03333, death occurred June 25, 2016, spouse elected lump sum payment of \$7,553.00. Death benefit after retirement is not due to surviving spouse in accordance with Sec. 37-72 and retirement incentive program per Sec. 37-79(e) – October 5, 2016 docket.
Mr. Gresalfi gave the Board an overview of adding years of service at the time of retirement due to a retirement incentive program in 1988 (Retirement Extra Opportunity Program). The additional three (3) years of creditable service were used for retirement benefit calculation purposes only. The additional years were not utilized in attaining normal service retirement eligibility or vesting requirements. Mr. Mahone had approximately three (3) years of actual creditable service for retirement purposes and did not meet the five (5) years vesting requirement for death benefits.

N. Cheiron’s Letter on Impact from Assumption Changes

Mr. Jones gave the Board an overview of his thoughts on the discussion regarding the assumed rate of return of the System. He expressed his gratitude and thanks for the Retirement Board’s commitment to their fiduciary responsibilities. He recommended that all factors affecting the System’s actuarial valuation be considered prior to making a rate adjustment decision. He stated that the experience study, rate of return study and a level of communication with the City Council are important when discussing the change of assumed rates of return. Mr. Gresalfi explained the experience study generally occurs once every five (5) years, with the next scheduled experience study occurring in 2017.

The Board directed Mr. Gresalfi to engage the System actuaries, Cheiron, to begin the process of conducting an experience study. The discussion (including an understanding of the actuarial assumptions and components before the next study), will continue at an Investment committee meeting. Ms. Calliott wished Mr. Jones the best of luck in his new job in Charlotte, thanked him for his comments, and asked that requests by the City from Retirement System consultants come through the NERS office in the future.

O. DROP Ordinance

The Board was informed about a city ordinance set to be presented to City Council. No action was required on the Board’s behalf.

Current City Code does not address the payment of the DROP account balance in the event of the death of a DROP member while in the DROP program. The ordinance directs that the monthly accumulated benefit credited to the DROP participant's account, upon the untimely death of a DROP member, be paid to the DROP member’s estate.

P. Committee Reports: Administration and Planning & Investment Management.

Administration and Planning Committee:

There was not an Administration and Planning Committee meeting; however the Code is continues to be worked on.

Investment Management Committee:

There was not an Investment Management Committee meeting. Mr. Neikirk reported that assets were \$981 million down about \$20 million from last month. Liability as of June 30, 2015 is \$1.225 billion, which is a funded status of 80%. The asset classes were within their target allocation ranges. Anticipated meeting scheduled for Wednesday, December 14, 2016, at 11:00 a.m. to review third (3rd) quarter data and requested actuarial materials.

Other Topics:

Mr. Gresalfi informed the Board that Adele Daniels has transitioned to a different position within the Department of Finance.

S.A. Calliott inquired if there will be any impact due to the changes to the Fair Labor Standards act (FLSA) changing the minimal salary threshold. C. Garczynski stated there is currently no impact to the Retirement System due to the FSLA changes, and that the City is continuing its analysis on any longer-term impacts.

Finalizing the 2016 audit. KPMG tentatively to provide the audit findings at the December 14, 2016.

The next meeting is scheduled for Wednesday, December 14, 2016, at 12:00 p.m.

There being no further business, the meeting adjourned at 12:43 p.m.

Chairperson

Executive Director