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

March 1, 2017

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 12:00 p.m. on March 1, 2017, with Chairperson Stephanie A. Calliott presiding. The following was the result of the roll call:

Attending the Meeting 
Stephanie A. Calliott 
Christopher R. Neikirk 
Yvonne T. Allmond 
Lawrence A. Bernert, III 
Arthur M. Eason, III 
Michael Goldsmith 
Christine Garczynski 
Eric G. Tucker

Absent 
Rev. Kenneth W. Crowder 
Nicholas E. Nelson

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 February 1, 2017 were approved.

New Business

A. Applications for Vested Service Retirement:

   Timothy L. Mallory, Active No. 25554, April 1, 2017, with no refund due.  
   [Police]

B. Applications for Early Service Retirement:

   Jeffrey J. Fulbright, Active No. 32277, April 1, 2017, with no refund due.  
   [Public Works]

C. Applications for Normal Service Retirement:

   John B. Eley, Active No. 21293, May 1, 2017, with no refund due.  
   [City Assessor]

   Natasa A. Pitchford, Active No. 25283, April 1, 2017, with no refund due.  
   [Utilities]

   Phyllis A. Smith, Active No. 29824, April 1, 2017, with no refund due.  
   [Parking]
Doris J. Vandergrift, Active No. 31120, April 1, 2017, with no refund due.  
[Public Works]

Curtis W. Webster, Active No. 29978, April 1, 2017, with no refund due.  
[Public Works]

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

David Huffman, Active No. 25975, May 1, 2017, 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. Exit from Deferred Retirement Option Program (DROP):

N/A

F. Medical Board Review of Application for Disability Retirement Benefits:

N/A

G. Ordinary Death of Employee:

N/A

H. Death of Retired Members:

Charles Allen, Ret No. 02973R, death occurred February 6, 2017. No benefit payable due to no surviving spouse or dependent children on record.

Marvin Byrd, Ret. No. 03749R, death occurred November 11, 2016. No benefit payable due to no surviving spouse or dependent children on record.


Vernon Crandell, Ret No. 03616R death occurred January 27, 2017. Spouse elected lump sum payment in the amount of $12,184.69.

Janet B. Glasier, Ret No. 05187R, death occurred January 13, 2107. Spouse elected lump sum payment in the amount of $13,306.87.

Earl Pugh, Ret No. 02783R, death occurred December 21, 2016. No benefit payable due to no surviving spouse or dependent children on record.

Utelia Moore, Ret No. 05729R, death occurred April 12, 2016. No benefit payable due to no surviving spouse or dependent children on record.
Samuel Simmons, Ret No. 04496R, death occurred January 20, 2017. No benefit payable due to no surviving spouse or dependent children on record.

Christine Stepney, Ret No. 03975R, death occurred January 25, 2017. No benefit payable due to no surviving spouse or dependent children on record.

The Board approved Item H – Death of Retired Members.

I. Death of Retired Member (Previously Reported) Beneficiary Benefit Election

Parker McDaniel, Jr., Ret No. 03928R, death occurred on January 24, 2017. Spouse elected monthly benefit in the amount of $960.76. (Death previously reported on February 1, 2017, docket as no benefit payable due to no surviving spouse or dependent children on record.

Teresa M. Molloy, Ret. No. 03839R, death occurred on November 10, 2016. Adult disabled adult child applying for lump sum benefit. (Death previously reported on December 14, 2016 docket.)

The Board approved Item I – Death of Retired Member (Previously Reported) Beneficiary Benefit Election.

J. Death of Member eligible for Vested Retirement Benefit

N/A

K. Death of Spouses:

James M. Edwards, Sr., Spouse No. 00707N, death occurred February 16, 2017. No benefit payable.


The Board approved Item K – Death of Spouses.

L. Retirement Rescissions

N/A

M. Previous Docket Amendments and Corrections

N/A

N. The Board approved withdrawal of the following contributing members with $39,482.40 of contributions due:

<table>
<thead>
<tr>
<th>Member Name</th>
<th>Active Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Terra M. Bluford</td>
<td>34795</td>
</tr>
<tr>
<td>D’londa M. Lanier</td>
<td>35776</td>
</tr>
<tr>
<td>Jamie N. Alexander</td>
<td>34340</td>
</tr>
<tr>
<td>Fay-ann T. Gray</td>
<td>35594</td>
</tr>
<tr>
<td>Madalyn E. Lee</td>
<td>33431</td>
</tr>
</tbody>
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O. Obligations Reported for Payment.

Norfolk Employees' Retirement System

OBLIGATIONS REPORTED FOR PAYMENT

March 1, 2017

State Street Corporation (1) $ 8,597.78
Cheiron (2) 11,563.88
Gourmet Gang (3) 91.81
Retirement Payroll (Payroll for February 2017) 7,157,845.26

Total $ 7,178,098.73

(1) Custodial Services for December
(2) Retainer fee - January + cost for January presentation to Council.
(3) Lunch served for Board Meeting - February

P. Disability Reexaminations Status.

1  Robertson, Denise L.       Accidental       Processing Paperwork
2    Cratt, David            Ordinary         Processing Paperwork
3    Sydow, Nathan V.        Ordinary         Processing Paperwork
4    Lambson, Leland         Ordinary         Processing Paperwork
5    Wethington, Mark A.     Accidental-REX  Processing Paperwork
6    Russell, Clifton D.     Ordinary         Not Due
7    Cole, Keith J.          Accidental-REX  Not Due
8    Fancher, Courtney D.    Accidental       Not Due
9    Allison, Curtis L.      Accidental       Not Due
10   Pratt, Dawn M.          Accidental-REX  Not Due
There are 16 disability retirees up for reexamination; 5 have paperwork in process; 11 are not due at this time.

Q. Previous Docket Amendments.

N/A

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

a. Administration and Planning – No report
b. Investment Management - 11:30 a.m. – 12:00 p.m.
   i. 2016 Q4 Quarterly report Review (Trevor Jackson – Summit)
      1. NERS plan is in the 20th percentile of monitored universe
      2. Annual Returns: Small Cap/Value/U.S. Equities did well, Emerging Markets exposure also did well
      3. Discussed Fixed Income returns and manager performance
         a. Benchmark tended to be below the 50th percentile
         b. Discussed the possibility of researching active managers
         c. Committee will continue to monitor PIMCO’s performance
   ii. Monthly Flash/Capital Markets (Trevor Jackson – Summit)
      1. As of January 31, 2017, Assets are at $1.009 billion
      2. Approximate funded status based on the July 1, 2016, Actuarial Liability is 79%
   iii. MLP to Real Estate Reallocation Update (Trevor Jackson – Summit)
      1. Funding increase of approximately $11 million in UBS fund is expected for early April
      2. The move from MLPs to Real Estate will bring fund exposures more in line with Investment Policy
   iv. Public Pensions Expected Return on Assets (News Article) 10 year outlook below anticipated returns as stated, 10+ years expect higher rate of return
      1. CALPERS expected annual returns 6.2% over the next 10 years (plan is $300 billion).
      2. Ohio Public Employees Retirement System expected annual returns 6.76% over the next 10 years.
      3. Los Angeles Fire & Police Pension expects expected annual returns 6.33% over the next decade over the next 10 years.
      4. As pensions get larger, the impact of investment return short-falls increases the impacts on cities’ budgets.
      5. The fiduciary role of the Board was discussed in relation to recommendations made to the City. Specifically, Ms. Calliott stated that the Board’s role is to make recommendations based solely on what is
best for the plan. The City then takes those recommendations into consideration and decides how to proceed with allocating City funds.

S. Other / Old Business

a. Update on Portability eligibility inquiry of Mr. Carey, as represented by Ann Sullivan.
   
i. Ms. Sullivan stated in her presentation at the February meeting that Mr. Carey was interested in retiring as soon as possible. Based on that statement, an actuarial calculation of the equivalent NERS service based on Mr. Carey’s 9 years of service in VRS was requested from Cheiron. It was determined that if Mr. Carey’s VRS years were ported into NERS at the requested time, the NERS equivalent years would have been 1.266 NERS years. As such, Mr. Carey would have not been eligible to retire if the portability would have been processed in error or later allowed by exception. This information was communicated to Ms. Sullivan via letter.

b. Ordinance related to the DROP account balance payout upon the death of a DROP member was approved by City Council.

c. Update - LIBOR class action suit against Barclays – $6,316.70 settlement payment is payable to NERS.

d. Retirement Association of Government Accountant membership dues. $140.00 annual fee for retirement accountant membership.

   The Board approved the payment of Retirement Association of Government Accountant member dues.

   e. City Council approved reappointments through December 31, 2020, for the following trustees:

   Stephanie A. Calliott   Lawrence A. Bernert, III
   Yvonne T. Allmond       Rev. Kenneth W. Crowder

T. Adjournment

   Next Meeting: April 5, 2017
   Anticipated Quorum: Yes
   Scheduled Guest Speaker(s):