

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

September 6, 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 September 6, 2017 with Christopher R. Neikirk presiding. The following was the result of the roll call:

Attending the Meeting

Christopher R. Neikirk
Yvonne T. Allmond
Rev. Kenneth W. Crowder
Arthur M. Eason, III
Eric G. Tucker
Nicholas E. Nelson
Michael Goldsmith
Christine Garczynski

Absent

Stephanie A. Calliott
Lawrence A. Bernert, III

Andy Fox, Assistant Director Human Resources, Heather Mullen, Deputy City Attorney, Chuck Brewer, citizen/retiree, 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 August 2, 2017, were approved.

New Business

A. Closed Session

With a quorum established, a motion was made, seconded, and approved that the Board assemble in an executive session pursuant to Virginia Code Section 2.2-3711(A) 7 for the discussion of a personnel/legal matter. At the conclusion of the closed session, the Board adopted the following Resolution:

A RESOLUTION CERTIFYING AN EXECUTIVE SESSION OF THE BOARD OF TRUSTEES OF THE EMPLOYEES' RETIREMENT SYSTEM OF THE CITY OF NORFOLK IN ACCORDANCE WITH THE PROVISIONS OF THE VIRGINIA FREEDOM OF INFORMATION ACT.

WHEREAS, the Board of Trustees of the Employees' Retirement System of the City of Norfolk convened an executive session on September 6, 2017, pursuant to an affirmative recorded vote and in accordance with the provisions of the Virginia Freedom of Information Act; and

WHEREAS, Section 2.2-3711 of the Code of Virginia requires a certification of this Board that such executive session was conducted in conformity with Virginia law; now, therefore,

BE IT ORDAINED by the Board of Trustees of the Employees' Retirement System of the City of Norfolk:

Section 1: - That the Board hereby certifies that, to the best of each member's knowledge, (i) only public business matters lawfully exempted from open meeting requirements by Virginia law were discussed in the closed meeting to which this certification resolution applies, and (ii) only such public business matters as were identified in the motion convening the closed meeting were heard, discussed or considered by the Board.

Section 2: - That this resolution shall be in effect from and after its adoption

B. Applications for Vested Service Retirement:

Belinda M. Davis, Active No. 22675, August 1, 2017, with no refund due.
[Lake Taylor City Hospital]

Michael Davis, Active No. 24287, August 1, 2017, with no refund due.
[Parking]

Joyce Hughes-Smith, No. 21862, October 1, 2017, with no refund due.
[Human Services]

Francine Lanier, No. 32323, March 1, 2017, with no refund due.
[Human Services]

Mary L. Meekins, No. 25378, November 1, 2008, with no refund due.
[Lake Taylor City Hospital]

Ruby C Rhines, No. 23779, September 1, 2017, with no refund due.
[Lake Taylor City Hospital]

Susan M. Rooney, No. 26468, October 1, 2017, with no refund due.
[Police]

C. Applications for Early Service Retirement:

Javonna Derricott, No. 26273, October 1, 2017, reduced benefit, with no refund due.
[Police]

Leticia D. Quejada, Active No. 30380, October 1, 2017, reduced benefit with no refund due.
[Utilities]

D. Applications for Normal Service Retirement:

Stephen P. Creech, Active No. 30753, November 1, 2017, with no refund due.
[City Assessor]

Angela R. Davis, Active No. 23954, October 1, 2017, with no refund due.

[Public Works]

Willie C. Dudley, Active No. 26827, October 1, 2017, with no refund due.

[Utilities]

Cora B. Hart, Active No. 28019, October 1, 2017, with no refund due.

[Human Services]

Willie L. Kelley, Active No. 30652, October 1, 2017, with no refund due.

[Public Works]

Anita D. Minix-Copeland, Active No. 25600, November 1, 2017, with no refund due.

[Executive]

William H. Raigns Jr., Active No. 23555, October 1, 2017, with no refund due.

[Human Services]

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

Gregory T. Moore, Active No. 26597, October 1, 2017, with no refund due.

Russell H. Weiler, Active No. 26916, December 1, 2017, with no refund due.

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

F. Exit from Deferred Retirement Option Program (DROP):

Lawrence H. Corbett, Ret No. 07037R, November 1, 2017 with DROP account balance due.

[Police]

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

Lionell N. Lamb, Active No. 27796, October 1, 2017, ordinary disability retirement with no annual reexamination and no refund due.

[Fire Rescue]

Freeman R. Thompson, Active No. 33445, October 1, 2017, ordinary disability retirement with no annual reexamination and no refund due.

[Human Services]

The Board approved Item G – Medical Board Review of Application for Disability Retirement Benefits.

H. Ordinary Death of Employee:

N/A

I. Death of Retired Members:

Bernice E. Cary, Ret No. 03779R, death occurred on June 8, 2017. Spouse benefit election pending.

Buford E. Devor, Ret No. 03391R, death occurred on August 7, 2017. Spouse elected monthly benefit in the amount of \$1,064.47.

Robert L. Ledbetter Jr., Ret No. 02527R, death occurred on August 13, 2017. No benefit payable.

Terry E. Nobles, Ret No. 04072R, death occurred on August 16, 2017. Spouse elected monthly benefit in the amount of \$1,048.14.

Betty Norman, Ret No. 04909R, death occurred on August 19, 2017. No benefit payable.

James T. Reid Sr., Ret No. 03506R, death occurred on August 5, 2017. Spouse benefit election pending.

Roy C. Shipley Jr., Ret No. 04927R, death occurred on July 21, 2017. Spouse elected monthly benefit in the amount of \$1,934.00.

Annie L. Thorogood, Ret No. 04263R, death occurred on August 1, 2017. Spouse benefit election pending.

J. Death of Retired Member (Previously Approved) Beneficiary Benefit Elected

Vernon L. Bray, Ret No. 04385R, death occurred on July 16, 2017, reported on August 02, 2017 docket. Spouse elected monthly benefit in the amount of \$838.56.

Frederic C. Brouer Jr., Ret No. 03660R, death occurred April 8, 2017, reported on June 7, 2017 docket. Spouse elected one time lump sum benefit in the amount of \$16,647.87.

William M. Perry Jr., Active No. 27810, death occurred on June 24, 2016, reported on June 7, 2017 docket. Spouse's monthly accidental death benefit to be offset by Workers' Compensation death benefit.

K. Death of Member eligible for Vested Retirement Benefit

N/A

L. Death of Spouses:

Mary J. Cuthrell, Spouse No. 00641N, death occurred July 5, 2017. No benefit payable.

The Board approved Item I –Death of Retired Members, Item J – Death of Retired Member (Previously Approved) Beneficiary Benefit Elected, Item L – Death of Spouses.

M. Retirement Rescissions

N/A

N. Previous Docket Amendments and Corrections

N/A

O. The Board approved withdrawal of the following contributing members with \$111,606.66 of contributions due:

<u>Member Name</u>	<u>Active Number</u>
ABBIYAH, MATTIYAHU I.	36150
COLLINS, VERNELL P.	35349
GREENE, KRYSTOL D.	34838
HUGHES, BRYAN C.	35588
JOHNSON, ERIC L.	34484
LYONS, SHARON A.	35885
MAY, PLEASURE D.	34733
PARKER, JEFFREY A.	35415
RICKS, DAVID L.	34913
SHAW, COREY A.	35400
WILLIAMS, KAREN L.	35222
ZIMMER, BETTY A.	35323
BOYD, EVERETTE N.	35045
CLEMONS, ZACHARY S.	34618
DELACEY, JOHN P.	36033
JONES, ASHLEY N.	35866
REED, STEPHANIE N.	35905
SMALL, GREGORY L.	35383
WASHINGTON TRAHAN, JORDON R.	33901
JONES, INGRID M.	35952
PEKAREK, SUZANNE N.	35344
TURNER, AMANDA L.	35115
FLORES, CLAUDIO E.	36125
ADAMCHICK, JOSEPH T.	36116
HALE, PAMELA S.	36135
AMBROSIO, DAVID F.	34391
GARCIA, JUSTIN J.	36019
KETCHUM, BRIELLE K.	36068
MALLORY, HASSAN K.	35320
MANSFIELD, JULI E.	35017
MILLER, BENJAMIN G.	34735
OSBY, LIFAEFI J.	35729
TRENT, ROBERT F.	36111
WARREN, DORESSA V.	35315
PARKER, JEFFREY A.	35415
MCCUSKER, CRYSTAL F.	35055

Total - 36

P. Obligations Reported for Payment

Norfolk Employees' Retirement System

OBLIGATIONS REPORTED FOR PAYMENT

September 6, 2017



State Street Corporation (1)	\$ 8,701.79
Cheiron (2)	4,461.96
Summit Strategies, Inc (3)	48,772.00
Gourmet Gang (4)	87.12
Nowcare Physicians (5)	1,290.50
Retirement Payroll (Payroll for July 2017)	<u>7,015,333.54</u>
 Total	 <u>\$ 7,078,646.91</u>

- (1) Custodial Services for September is estimated
- (2) Retainer fee for July and August is estimated
- (3) Consulting Services for July-Sept 2017 (1st Qrt-2018)
- (4) Lunch served for Board Meeting -August
- (5) Medical disability Retirement Exams

Q. Disability Reexaminations 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>Not Due</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;
4 have paperwork in process; 12 are not due at this time.***

R. Committee Reports: Administration and Planning & Investment Management

- a. Administration and Planning – No meeting
 - i. Banking RFP responses are under review.
 - ii. Consultant Draft RFP anticipated November or December 2017 for investment committee review.
- b. Investment Management – Met September 6, 2017 at 11 a.m.
 - i. Monthly Flash/Capital Markets
 1. As of July 31, 2017, assets market values are at \$1.06 billion compared to July 31, 2016 liabilities resulting in an estimated 83% funded ratio.
 2. All assets are within target ranges.
 - ii. Harvest MLP Funds (Anthony Merhige, COO, Harvest Fund)
 1. Institutional concentrated investments, no focus on retail.
 2. Acquisition of Harvest by Blackstone Group anticipated October 2017.
 3. Expected compensation structure changes with performance goals thru 2023.
 4. The acquisition by Blackstone is geared at increasing interest from institutional investors.
 5. Board approved consent form authorizing transfer of Harvest Agreement to Blackstone Group as part of the acquisition.

- iii. Asset Allocation Review (Trevor Jackson, Summit Strategies Group)
 - 1. Committee was presented several options regarding asset allocations along with expected returns for each option.
 - 2. More time is needed to evaluate the options, to be revisited in November.

S. Other / Old Business

Chuck Brewer, citizen and retiree asked several questions regarding the system's compliance with Virginia State Code 51.1-800.

Deputy City Attorney, M. Nexsen, stated that Mr. Brewer's questions will be reviewed and a response will be provided.

T. Adjournment

Next Meeting: October 4, 2017

Anticipated Quorum: Yes

Scheduled Guest Speaker(s):