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

January 10, 2018

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 January 10, 2018, with 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
Rev. Kenneth W. Crowder
Arthur M. Eason, III
Eric G. Tucker
Nicholas E. Nelson
Catheryn Whitesell
Christine Garchynski

Absent
Lawrence A. Bernert, III

Andy Fox, Assistant Director of Human Resources, Galen Gresalfi, Executive Director, Mary L.G. Nexsen, Deputy City Attorney, Heather Mullen, Deputy City Attorney, Penny DeLosh, Programs Manager.

The minutes for the meeting held on December 6, 2017, were approved.

KPMG Auditors Cheryl L. Xystros, CPA, and Archie Simmons, Jr., CPA, gave a presentation to the Board on the Retirement System June 30, 2017 audit findings. The following areas were discussed:

- Financial statements issued with unmodified opinion
- KPMG Opinion and SAS 114 Letter presented
- KPMG responsibility under professional standards
  - Identify material errors in the financials
  - Internal controls
  - Fraud
- Comprehensive Annual Financial Report (CAFR) items included in KPMG review:
  - MD&A
  - Letter of transmittal
  - Actuarial information
  - Investment advisors’ letter
  - Statistical data
  - Additional unaudited information
  - Accounting policies / alternative treatments – no changes; no significant unusual transactions
  - Management judgements and estimates
    - Core value of investment
    - Net pension liability
  - No corrective adjustments made
- 1 uncorrected immaterial item (continued from previous years) - $2.3 million misclassified by State Street. Retirement Office staff will work with custodian to fix this moving forward.
New Business

A. Applications for Vested Service Retirement:

Perry E. Allinder, Active No. 27179, July 1, 2015, with no refund due.

Winston T. Simons, Active No. 30141, January 1, 2018, with no refund due.

B. Applications for Early Service Retirement:

N/A

C. Applications for Normal Service Retirement:

Henry E. Boston, Active No. 21149, February 1, 2018, with no refund due.
[Public Works]

Evie L. Bryant, Active No. 21971, March 1, 2018, with no refund due.
[Information Technology]

Toula C. Dermanis, Active No. 30840, February 1, 2018, with no refund due.
[Human Services]

Anthony J. Fee, Active No. 25629, February 1, 2018, with no refund due.
[Commissioner of the Revenue]

Sheldon D. Johnson, Active No. 24769, February 1, 2018, with no refund due.
[Utilities]

Floria Lassiter, Active No. 22653, February 1, 2018, with no refund due.
[Public Works]

Bonita L. Overstreet, Active No. 28053, February 1, 2018, with no refund due.
[Human Services]

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

N/A

The Board approved Item A – Applications for Vested Service Retirement and Item C – Applications for Normal Service Retirement.

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

[Fire-Rescue Services]
Scott V. Phillips-Gartner, Ret No. 07077R, February 1, 2018, with DROP account balance due.

[Fire-Rescue Services]

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

Lonnell L. Roberts Sr., Active No. 35416, February 1, 2018, accidental disability retirement with no annual reexamination and no refund due.

[Public Works]

Denise L. Robertson, Ret. No. 07099R, February 1, 2018, medical board reexamination recommendation to continue accidental disability retirement with no annual reexamination.

The Board approved Item F – Medical Board Review of Application for Disability Retirement Benefits and Disability Retirement Reexamination for Lonnell L. Roberts Sr. with no annual reexamination and the accidental disability retirement reexamination for continued accidental disability retirement benefits for Denise L. Robertson with an annual reexamination.

G. Ordinary Death of Employee:


[Utilities]

H. Death of Retired Members:


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

   N/A

J. Death of Member eligible for Vested Retirement Benefit

   N/A

K. Death of Spouses:

   Maggie E. Lawrence, Spouse No. 00128N, death occurred August 31, 2017. No death benefit payable.
   Marjorie B. Smith, Spouse No. 00745N, death occurred December 8, 2017. No death benefit payable.
   Patricia Trapani, Spouse No. 00618N, death occurred December 12, 2017. No death benefit payable.

   The Board approved Item G – Ordinary Death of Employee; Item H – Death of Retired Members and 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 $46,293.07 of contributions due:

<table>
<thead>
<tr>
<th>Member Name</th>
<th>Active Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>BRIGIO, DANIEL J.</td>
<td>36092</td>
</tr>
<tr>
<td>GLADDEN, MICHAEL J.</td>
<td>34820</td>
</tr>
<tr>
<td>MCDONALD, COLETTE S.</td>
<td>35738</td>
</tr>
<tr>
<td>RADOVIC, MILENA</td>
<td>36139</td>
</tr>
<tr>
<td>ROCHE, SIGRID</td>
<td>34914</td>
</tr>
<tr>
<td>WILLIAMS, JAMAL A.</td>
<td>36302</td>
</tr>
<tr>
<td>ABRAMS, SCOTT D.</td>
<td>34372</td>
</tr>
<tr>
<td>BULLOCK, ZULEIKA M.</td>
<td>35329</td>
</tr>
<tr>
<td>FISHER, KRIS J.</td>
<td>34515</td>
</tr>
<tr>
<td>HUGHES, JADELYN M.</td>
<td>35972</td>
</tr>
<tr>
<td>MATTHEWS, KEONA D.</td>
<td>35414</td>
</tr>
<tr>
<td>REESE, APRIL Y.</td>
<td>34521</td>
</tr>
<tr>
<td>SUNDAY, RACHEL N.</td>
<td>35036</td>
</tr>
<tr>
<td>VANN, KESHIA T.</td>
<td>36079</td>
</tr>
</tbody>
</table>

**Total - 14**
O. Obligations Reported for Payment:

Norfolk Employees’ Retirement System

OBLIGATIONS REPORTED FOR PAYMENT

January 10, 2018

<table>
<thead>
<tr>
<th>Obligation Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>State Street Corporation (1)</td>
<td>$8,554.88</td>
</tr>
<tr>
<td>NAPPA (2)</td>
<td>300.00</td>
</tr>
<tr>
<td>Cheiron (3)</td>
<td>8,923.92</td>
</tr>
<tr>
<td>Gourmet Gang (4)</td>
<td>120.11</td>
</tr>
<tr>
<td>Govt. Finance Officers Association (5)</td>
<td>580.00</td>
</tr>
<tr>
<td>Summit Strategies, Inc. (6)</td>
<td>16,257.33</td>
</tr>
<tr>
<td>J. Robinson (7)</td>
<td>293.92</td>
</tr>
<tr>
<td>Retirement Payroll (Payroll for Dec. 2017)</td>
<td>7,142,505.10</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$7,177,535.26</strong></td>
</tr>
</tbody>
</table>

(1) Custodial Services for January (Estimated) -- $8,554.88
(2) National Association of Public Pension Attorneys - (Chk. 1231) -- $300.00
(3) Retainer fees for November (Chk. 1232) -- $4,461.96
    January - (Estimated) $4,461.96
(4) Lunch served for Board Meeting - December (Chk. 1233) -- $120.11
(5) GFOA Certification of Achievement for Excellence - (Chk. 1234) -- $580.00
(6) Summit Strategies Inc. - Consulting services - January 2018 (Estimated)
(7) Pension payment replacement - December (Chk. 1237) -- $293.92
P. Disability Reexaminations Status:

<table>
<thead>
<tr>
<th>NAME</th>
<th>TYPE</th>
<th>STATUS</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Allison, Curtis L.</td>
<td>Accidental</td>
<td>Final Incompleteness Notice</td>
</tr>
<tr>
<td>2 Brown, Sherrod M. Sr.</td>
<td>Ordinary</td>
<td>Final Incompleteness Notice</td>
</tr>
<tr>
<td>3 Cole, Keith J.</td>
<td>Accidental</td>
<td>Medical Board</td>
</tr>
<tr>
<td>4 Cratt, David</td>
<td>Ordinary</td>
<td>Final Incompleteness Notice</td>
</tr>
<tr>
<td>5 Doke, Annie</td>
<td>Ordinary</td>
<td>Medical Board</td>
</tr>
<tr>
<td>6 Fancher, Courtney D.</td>
<td>Accidental</td>
<td>Awaiting medical records</td>
</tr>
<tr>
<td>7 Gannaway, Stephen M.</td>
<td>Accidental</td>
<td>Medical Board</td>
</tr>
<tr>
<td>8 Lamson, Leland</td>
<td>Ordinary</td>
<td>Awaiting medical records</td>
</tr>
<tr>
<td>9 Pratt, Dawn M.</td>
<td>Accidental</td>
<td>Awaiting medical records</td>
</tr>
<tr>
<td>10 Robertson, Denise L.</td>
<td>Accidental</td>
<td>Present to BOT</td>
</tr>
<tr>
<td>11 Robertson, Neal A.</td>
<td>Accidental</td>
<td>Final Incompleteness Notice resent to new address</td>
</tr>
<tr>
<td>12 Russell, Clifton D.</td>
<td>Ordinary</td>
<td>Medical Board</td>
</tr>
<tr>
<td>13 Sydow, Nathan V.</td>
<td>Ordinary</td>
<td>Awaiting medical records</td>
</tr>
<tr>
<td>14 Tew, Gerald R.</td>
<td>Ordinary</td>
<td>Final Incompleteness Notice</td>
</tr>
<tr>
<td>15 Wethington, Mark A.</td>
<td>Accidental</td>
<td>Medical Board</td>
</tr>
<tr>
<td>16 Wynn, Nathaniel</td>
<td>Accidental</td>
<td>Medical Board</td>
</tr>
</tbody>
</table>

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

a. Administration and Planning – No meeting held.
   i. Banking RFP awarded to Bank of America with cost savings.
   ii. Investment RFP to be distributed to Board
b. Investment Management – No meeting held.
   i. Monthly Flash/Capital Markets
      a. As of November 30, 2017, asset market values of the Fund were $1.84 billion in comparison to July 1, 2016 $1.82 billion actuarial liability; as of October 31, 2017 the market funded ratio was 84%
      ii. Assets allocations in target range
      iii. Next Anticipated Investment Committee – February 14, 2018

R. Other / Old Business:

a. Voluntary compliance with the IRS filing ongoing. Original agreement of $10,000.00 to Wilcox & Savage has been expended as of August 2017. Proposed amendment to the professional services contract with Wilcox & Savage in the amount of up to $25,000.00 for legal fees and $3,500.00 for IRS compliance fees. Possible cost increase due to IRS determinations.

   Board approved proposed amendment

b. Educational outreach expanded to fire department, police department, new employee orientation and City-wide quarterly presentations scheduled.

c. Annual statements to be mailed to approximately 4,000 active City employees.
S. Adjournment:

Next Meeting: February 14, 2018
Anticipated Quorum: Yes
Scheduled Guest Speaker(s): Cheiron Presentation