



RETIREMENT BOARD OF TRUSTEES MEETING MINUTES



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Form No:
7505

I. COMMENCEMENT

1. Chairperson call meeting to order.

Meeting Date 6/6/2018	Start Time 12:00 PM	End Time	Meeting Type Regular Session
Meeting Location City Hall Building, Sixth Floor Conference Room 810 Union Street, Norfolk, Virginia			

2. Roll call.

	Presiding	Absent
Stephanie A. Calliott	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Christopher R. Neikirk	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Yvonne T. Allmond	<input type="checkbox"/>	<input type="checkbox"/>
Lawrence A. Bernert, III	<input type="checkbox"/>	<input type="checkbox"/>
Rev. Kenneth W. Crowder	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Arthur M. Eason, III	<input type="checkbox"/>	<input type="checkbox"/>
Catheryn Whitesell	<input type="checkbox"/>	<input type="checkbox"/>
Christine Garczynski	<input type="checkbox"/>	<input type="checkbox"/>
Nicholas E. Nelson	<input type="checkbox"/>	<input type="checkbox"/>
Eric G. Tucker	<input type="checkbox"/>	<input type="checkbox"/>

Additional Attendees

Galen Gresalfi Executive Director	Penny DeLosh Programs Manager
Mary Lou Nexsen Deputy City Attorney	Heather Mullen Deputy City Attorney
Joseph Kauffman (Intern)	Andy Fox Assistant Director - HR
Reed Huston (Intern)	
Bryce Land (Intern)	

3. Approval of minutes of monthly meeting held:

May 2, 2018

APPROVED

II. NEW BUSINESS

- A. Service Retirement Applications** **APPROVED**
The Retirement Office requests Board-approval of each service retirement application listed on EXHIBIT 1 (if any).
Total: 18
- B. Disability Retirement Applications** **N/A**
The Retirement Office requests Board-approval of each Medical Board-reviewed disability retirement application listed on EXHIBIT 2 (if any).
Total: 0
- C. Disability Reexamination Determinations** **APPROVED**
The Retirement Office requests Board-approval of each Medical Board-reviewed disability retirement reexamination listed on EXHIBIT 3 (if any).
Total: 1
- D. Death Benefit Claims** **APPROVED**
The Retirement Office requests Board-approval of each payable death benefit claim listed on EXHIBIT 4 (if any).
Total: 4

III. REPORTING

- A. Member Separation Report**
The Retirement Office is processing each nonvested member separation listed on EXHIBIT 5 (if any). This will require refunding mandatory contributions.
Total: 49
Value: \$128,069.04
- B. DROP Exit Report**
The Retirement Office is processing each DROP Participant separation listed on EXHIBIT 6 (if any).
Total: 1
- C. Report of Deaths**
The Retirement Office is processing each member or beneficiary death listed on EXHIBIT 7 (if any).
Total: 4
- D. Retirement Rescissions**
N/A.
- E. Previous Docket Amendments and Corrections**
N/A.

F. Obligations Reported for Payment

Refer to EXHIBIT 8.

G. Disability Reexaminations Status Report

The Retirement Office is processing each disability retirement reexamination listed on EXHIBIT 9 (if any).

Total: 15

H. Committee Reports: Administration and Planning & Investment Management**1. Administration and Planning – No meeting held.**

Working on City Code Chapter 37 – anticipate changes July of 2018.

2. Investment Management.**a) Monthly Flash/Capital Markets.**

(1) As of April 30, 2018, asset market values were \$1.08 billion compared to liabilities at \$1.3 billion as of July 31, 2017, resulting in an 81% funding level.

(2) Investments are within targeted allocations.

b) Update from UBS.

(1) Median to near term of 10-year term expectations

a. UBS – estimated 7% return.

b. Summit Strategies – estimated 5.5% to 6.5%.

c. \$23.5 billion fund (diversified with less than 5% in cash)

(2) Retirement System to receive employer contribution payment earlier than usual and investment consultant will advise regarding balancing of equities.

c) No Anticipated Investment Committee Meeting – July 11, 2018.**I. Other/Old Business****1. Change of death after retirement beneficiary.**

a) Analysis of other retirement systems regarding changes to beneficiaries.

(1) Norfolk, Roanoke, Richmond (VRS)

(2) VRS is the only system that allows changes to the original designated beneficiary under certain conditions.

a. If the original annuitant predeceases the retiree.

b. If the final divorce decree from original annuitant is justified.

c. If the original annuitant provides written consent and proof of good health.

d. If the retiree is married more than 20 years and divorces the original annuitant and the original annuitant predeceases the retiree or remarries.

b) At a previous board meeting, Letha McDowell represented Rodney Jacob requesting the change of the original designated annuitant. Per Sec. 37-68., Mr. Jacob retired May 1, 2012 and his benefits became due. He now

has married and desires to change the designated beneficiary from the original annuitant to his current spouse. Per Deputy City Attorney, M. Nexsen, none of the VRS change of beneficiary conditions apply to Mr. Jacobs' request to change the original annuitant and there is no basis per Sec. 37-68 to allow the requested change.



Action

The Board DENIED Mr. Jacobs' request to change the original designated annuitant that was elected at the time of his retirement.

2. Benefit Calculators to be created by Cheiron at a cost not to exceed \$10,000.00.

- a) Actuarial Lifetime Recoupment of Overpayments due to administrative errors (initial cost \$1750.00 and \$750.00 for assumption associated updates).
- b) Death after Retirement Optional Benefits (initial cost \$1750.00 and \$750.00 for assumption associated updates).
- c) Purchase of Service (initial cost \$1750.00 and \$750.00 for assumption associated updates).



Action

The Board APPROVED the creation and maintenance of 3 calculators: Actuarial Lifetime recoupment of overpayments, Death after retirement optional benefits, and Purchase of service at a cost not to exceed \$10,000.00.

3. NERS will be participating for the first time at the City Wellness Fair on June 19, 2018.

Points of emphasis for members:

- a) Know your Number.
 $1.75\% \times \text{Creditable Service Years}$, or $2.5\% \times \text{Creditable Service Years}$.
- b) Active employee ordinary death benefit change of beneficiary.



Action

The Board APPROVED budget not to exceed \$500.00 for City Wellness Fair 2018.

4. Deputy City Attorney, Mary Lou Nexsen, was recognized for 40 years of dedicated service to the City of Norfolk.

5. Motion for 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 2.2-3711A(7) for the discussion of personnel/legal matter, specifically:

Consultation with legal counsel employed or retained by the public body regarding specific legal matters requiring the provision of legal advice by such counsel.

**CLOSED SESSION: LEGAL ADVICE****BEGIN**

At the conclusion of the closed session, the Board adopted the following Resolution:

A RESOLUTION CERTIFYING A CLOSED MEETING OF THE BOARD OF TRUSTEES OF THE NORFOLK EMPLOYEES' RETIREMENT SYSTEM IN ACCORDANCE WITH THE PROVISIONS OF THE VIRGINIA FREEDOM OF INFORMATION ACT.

WHEREAS, the Board of Trustees of the Norfolk Employees' Retirement System convened a closed meeting on this date pursuant to an affirmative recorded vote and in accordance with the provisions of the Virginia Freedom of Information Act for the consideration, advice and discussion of a legal matter pursuant to Virginia code Section 2.2-3711A(7); and

WHEREAS, Virginia Code Section 2.2-3712 requires a certification of this Board of Trustees that such closed meeting was conducted in conformity with Virginia law; now, therefore,

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

Section 1:- That the Board of Trustees 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 of Trustees.

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

**CLOSED SESSION: LEGAL ADVICE****END**

6. **Motion for Open Session.**

After the Board reconvened in open session, a motion was made, seconded and the Board approved to return to an open meeting.

a)



Action

The Board APPROVED a motion to:

- 1) Limit the investigation of workers' compensation related matters to 5 year window.
- 2) Stop overpayment of city retirement allowance as of September 30, 2018 for 3 widows and waive recoupment of any related overpayments.

b)



The Board **APPROVED** a motion to amend **NERS** policy 7002 to reflect the waiver of recoupment of retirement allowance overpayments associated with beneficiaries receiving benefits due to a death suffered in the line of duty.



The Board **APPROVED** a motion to continue the decision-making authority of the retirement office staff regarding workers' compensation related rate changes. Board to be informed only if the matter is extenuating.

J. Adjournment

Next Meeting: July 11, 2018

Anticipated Quorum: ☒ Yes ☐ No

Scheduled Guest Speaker(s): _____

Exhibit 1

Service Retirement Applications

	Active No	Member Name	Department	Retirement Date	Retirement Type	Election	Refund Due
1.	27512	Antons, Bradley D.	Fire-Rescue Services	7/1/2018	Normal	N/A	No
2.	21682	Brown, Kelvin L.	N/A	7/1/2018	Vested	N/A	No
3.	30203	Callaghan, Jan E.	Human Services	7/1/2018	Normal	N/A	No
4.	21700	Carr, Paul Brian	N/A	4/1/2016	Vested	N/A	No
5.	31765	Cofield, Garry S.	Human Services	7/1/2018	Normal	N/A	No
6.	27625	Crandall, Randy A.	Police	8/1/2018	Normal	N/A	No
7.	22939	Daughtrey, Robert B.	City Clerk	7/1/2018	Normal	N/A	No
8.	34544	Donovan, Paul E.	N/A	6/1/2018	Vested	N/A	No
9.	30304	Drew, Mildred D.	Commissioner of the Revenue	8/1/2018	Normal	N/A	No
10.	27650	Fentress, Carol J.	Finance	8/1/2018	Normal	N/A	No
11.	24802	Harris, Allen W.	Recreation, Parks and Open Space	8/1/2018	Normal	N/A	No
12.	26372	Jaro, Jose Winnie B	Utilities	7/1/2018	Normal	N/A	No
13.	27539	Lee, James C.	Executive	7/1/2018	Normal	N/A	No
14.	21542	Luck, Howard K.	Utilities	7/1/2018	Normal	N/A	Yes
15.	26970	Moore, Angela R.	Recreation, Parks and Open Space	7/1/2018	Early	Reduced	No
16.	31519	Odango, Emerencio O.	Civic Facilities	7/1/2018	Normal	N/A	No
17.	25933	Sumler, Jack D.	Public Works	7/1/2018	Early	Reduced	No
18.	28176	Watts, Robert Wayne	Human Services	7/1/2018	Normal	N/A	No

Exhibit 3
Disability Reexamination Determinations

	Ret No	Member Name	Retirement Date	Reexam Date	Retirement Type
1.	07104R	Cratt, David W.	3/1/2015	None	Ordinary

Exhibit 4

Death Benefit Claims

	Active No	Member Name	Death Date	Effective Date	Is Spouse	Death Benefit	Election Status
1.	14906	Gaines, Leonard A.	1/28/2018	2/1/2018	Yes	Death After Ret.	Lump Sum Benefit
2.	08043	Miller, Claude R.	4/16/2018	5/1/2018	Yes	Death After Ret.	Monthly Benefit
3.	10714	Murden, Calias P.	4/11/2018	5/1/2018	Yes	Death After Ret.	Monthly Benefit
4.	16337	Watson, Roy W.	5/21/2018	6/1/2018	Yes	Death After Ret.	Monthly Benefit

Exhibit 5

Member Separation Report

	Active No	Member Name
1.	36419	Anderson, Dontrell A.
2.	34613	Barksdale, Aaron K.
3.	35765	Bell, Evan P.
4.	35753	Blyther, Dion M.
5.	36382	Bolick, David L.
6.	36199	Brooks Jr., John
7.	35367	Brown, Ariel
8.	36565	Carter, Sonja C.
9.	36050	Christopher, Desiree W.
10.	35128	Colon Jr., Richard J.
11.	35181	Cruz, John E.
12.	36492	Dessau-Rogers, Brianna
13.	36276	Faulcon, Deonta T.
14.	35592	Fleming, Sarena D.
15.	36424	Foster, Jason D.
16.	35250	Grant, Cedric O.
17.	36021	Griffin, Brandon C.
18.	36480	Hamilton, Stanley
19.	34753	Harrell, Dianna N.
20.	36429	Hernandez, Davonte R.
21.	35613	Hoggard, Julius E.
22.	36432	Holloway, Brittany S.
23.	35451	Horn, Joshua H.
24.	34924	Hursey, Toby T.
25.	36334	James, Kenneth C.
26.	35564	Jessie, Victoria
27.	36515	Jones, Adrianna M.
28.	34412	Lange, Mitchell A.
29.	36226	Levitt Jr., Clyde
30.	35360	McFie Jr., Samuel A.
31.	35651	Money, Brian M.
32.	35150	Obermark, Michael C.
33.	36328	Powell, Malcolm D.
34.	35521	Rauch, Amber A.
35.	35097	Resolute Jr., James A.
36.	36517	Robinson, Angela C.
37.	34992	Russell, Timothy W.
38.	36293	Sanders, Candice L.
39.	35394	Saunders Jr., Larry D.
40.	34601	Smith, Chermera Y.
41.	35094	Smith, Heather R.

Exhibit 5

Member Separation Report

	Active No	Member Name
42.	35199	Smith, Michael R.
43.	36498	Spencer, Kenneth J.
44.	34445	Stephens, Isaac E.
45.	34809	Thourogood, Hope D.
46.	35168	Wideman, Lavel O.
47.	35810	Wiggins, Tanika A.
48.	36563	Williams, Mary B.
49.	36574	Wyatt, Dustin A.

Exhibit 6

DROP Exit Report

	Ret No	Member Name	Department	Effective Date
1.	07525R	Emerson, Frances E.	Police	7/1/2018

Exhibit 7

Report of Deaths

	Active No	Decedent Name	Decedent Type	Death Date	Benefit Type
1.	08043	Miller, Claude R.	Retiree	4/16/2018	Normal
2.	19961	Staton, Linbergh E.	Retiree	5/3/2018	Normal
3.	16334	Volk, Russell James	Retiree	5/2/2018	Vested
4.	16337	Watson, Roy W.	Retiree	5/21/2018	Accidental

Exhibit 8

Obligations Reported for Payment

	Description	Amount
1.	State Street Corporation	\$9,071.89
2.	Cheiron	\$4,595.82
3.	Summit Strategies, Inc.	\$16,593.34
4.	Eggleston Shredding Services	\$10.00
5.	NowCare Physicians P.C.	\$600.00
6.	The Gourmet Gang	\$245.98
7.	Mary Lou Nexsen	\$895.00
8.	Retirement Payroll	\$7,170,257.15
9.	TOTAL	\$7,202,269.18

Additional Details

- (1) Custodial Services - June (Estimated) \$9,071.89
- (2) Consulting services - June 2018 (Estimated) \$4,595.82
- (3) Consulting services - June 2018 (Estimated) \$16,593.34 - Q2 Payment due in June
- (4) Eggleston Shredding Services - (Chk. 1266)
- (5) NowCare Physicians - (Chk. 1268)
- (6) May + March Reissue Meeting Lunch - (Chks. 1265, 1267)
- (7) NAPPA Conference Registration Fee (Chk. 1264)
- (8) Payroll for May 2018