



RETIREMENT BOARD OF TRUSTEES

MEETING MINUTES



Phone: (757) 664-4738 Email: retirement@norfolk.gov Website: www.norfolk.gov/retirement Form No: 7503

I. COMMENCEMENT

1. Chairperson call meeting to order.

Meeting Date 7/13/2022	Start Time 12:00 PM	End Time 12:13 PM	Meeting Type Regular
Meeting Information			
City Hall Building, Sixth Floor Conference Room 810 Union Street, Norfolk, Virginia			

2. Roll call.

	Present
Lawrence A. Bernert, III (Chair)	<input checked="" type="checkbox"/>
Yvonne T. Allmond (Vice-Chair)	<input checked="" type="checkbox"/>
Rev. Kenneth W. Crowder	<input checked="" type="checkbox"/>
Elizabeth (Liz) A. Delude	<input checked="" type="checkbox"/>
Arthur M. Eason, III	<input type="checkbox"/>
Daryl Howard	<input checked="" type="checkbox"/>
James Izard (Investment Committee Chair)	<input checked="" type="checkbox"/>
Christina (Tina) Talley	<input type="checkbox"/>
Christine Garczynski (Admin and Planning Committee Chair)	<input checked="" type="checkbox"/>
Catheryn Whitesell	<input type="checkbox"/>

Additional Attendees

Penny DeLosh Executive Director	Jackie Cowan Retirement Benefits Administrator	Andy Fox Deputy City Attorney I
Leif Smith Summer Intern	Matt Wetmore Summer Intern	Other Attendees

3. Approval of minutes of meeting held May 4, 2022:

Approved Denied

II. REPORTING

Reporting Period: June 2022 – July 2022		TOTAL (Submitted/Approved)
A. Service Retirement Applications		40
1. Normal Service Retirement		18
2. Normal Service Retirement with DROP		0
3. Early Service Retirement - Reduced		6
4. Early Service Retirement - Deferred		2
5. Vested Service Retirement		14
B. Disability Retirement Applications		1
6. Accidental Disability Retirement		1
7. Ordinary Disability Retirement		0
C. Disability Reexamination Determinations		0
D. DROP Exit Report		3
E. Report of Deaths		29
1. Retiree		24
2. Spouse or Beneficiary		5
F. Death Benefit Claims		5
G. Retirement Rescissions		0
H. Previous Docket Amendments and Corrections		0
I. NERS Non-vested Member Separation from Employment		31
Total		\$142,069.04
J. NERS Non-Vested Members Transition to VRS (May – June 2022)		65
Total		\$292,829.41

K. Obligations Reported for Payment

Refer to EXHIBIT 1

L. Committee Reports: Administration and Planning & Investment Management

1. Administration and Planning Committee – no meeting
2. Investment Management Committee –
 - a. Meketa Investment Group Outsourced Chief Investment Officer (OCIO) agreement reviewed and awaiting final signature
 - i. Proxy service to be researched for proxy voting requirement
 - ii. Schedule a meeting to review initial items
 - iii. Minimum Fee of 5.5 basis points
 - b. Tortoise Capitol Advisors agreement (Fourth Amendment) executed with no changes
 - c. As of the Plan's June 30, 2021 actuarial valuation report, the plan had a fiscal year end Actuarial Liability (AL) of \$1,431,515,000. As of May 31, 2022, the Plan's current market value of assets (MVA) was \$1,291,834,162. As of May 31, 2022, the Plan's market value funded ratio (current MVA/fiscal year end AL) was 90.2%.

M. Other / Old Business

1. Virginia Retirement System (VRS)
 - a. Effective January 1, 2022, all City employees newly hired and rehired will be participating member of the VRS
 - b. All current, active Norfolk Employees' Retirement System members will have a window of opportunity (January 1, 2022, through December 31, 2022) to elect to terminate their NERS membership and become participating members in VRS or to remain a NERS participant. This is an irrevocable retirement plan election.
 - i. Currently at 42% of employee elections made

c. Retirement Plan Election & Acknowledgement status update as of 07.05.2022

RETIREMENT BENEFIT ELECTION	As of July 5, 2022
Total NERS Membership	3,579
Election Completed	1467
Remain a participating NERS member	1038
Terminate my NERS membership	429
• Choose to allow NERS to remain in NERS	23
• I elect to port my NERS into VRS	89
• I do not have 5 years in NERS (non-vested NERS member)	317

2. UBS

a. \$932,652.74 redemption received on July 7, 2022

N. New Business/Other

1. City of Norfolk's employer annual contribution amount of \$31,417,431 distributed to NERS State Street Bank on July 8, 2022,
 - a. Total contribution to be invested on Monday, July 11, 2022 with AndCo investment direction
2. City of Norfolk's Trust contribution in the amount of \$8.7 million distributed to NERS Bank of America July 1, 2022, to be utilized for July 2022 expenses
3. FY 2023 NERS 0.39% Refund of Contribution interest rate confirmed via bankrate.com
4. Cheiron's Experience Study proposed changes
 - a. Assumed discount rate
 - i. Board adopted proposed change of discount rate to 6.75% from 7.00%
 - b. Inflation rate
 - i. Board adopted 3.00% rate to remain
 - c. Mortality

- i. Board adopted to update to base tables and update mortality improvement scale
- d. Retirement
- i. Board adopted to increase rates at early ages and change DROP election percentage for Public Safety
- e. Terminations
- i. Board adopted to increase rates under 15 years of service
- f. Disability
- i. Board adopted to decrease rates at each age
- g. Merit Increases
- i. Board adopted to decrease rates at each service interval
- h. Other demographics (marital status)
- i. Board adopted to decrease marital percentage by 10.00% to 65.00% for Public Safety and 55.00% for General employees

- 5. FY 2022 annual audit in progress
- 6. City Council approved the Deferred Retirement Option Program for General employees effective January 2023

O. Adjournment

Next Meeting:	September 7, 2022
Anticipated Quorum:	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Scheduled Guest Speaker(s):	

Exhibit 1
Obligations Reported for Payment –May - June 2022

	Description	Amount
1.	State Street Corporation	\$13,756.17
2.	Cheiron	\$31,850.12
3.	Harvest Fund Advisors, LLC	\$98,557.13
4.	Tortoise Capital Advisors, LLC	\$89,658.69
5.	PIMCO	\$92,847.43
6.	AndCo	\$25,000.00
7.	Retirement Payroll June 2022 & July 2022	\$16,629,700.69
8.	Willcox Savage	\$12,965.25
9.		
10.		
11.		
12.	TOTAL	\$16,994,335.48

Additional Details

1. Custodial Services - May 2022 – June 2022 (\$13,756.17 March 2022, paid June 2022)
2. Actuarial Services - May 2022 – June 2022 (\$31,850.12 April 2022, paid May 2022)
3. Harvest Fund Advisors (\$98,557.13 2022 Q1 invoice, paid May 2022)
4. Tortoise Capital Advisors, LLC (\$89,658.69 2022 Q1 invoice, paid May 2022)
5. PIMCO (\$92,847.43 2022 Q1 invoice, paid May 2022)
6. AndCo (\$25,000.00 2022 Q2 invoice, paid June 2022)
7. Payroll for June 2022 \$8,229,700.69 (actual) and July 2022 \$8,400,000.00 (Estimated)
8. Willcox Savage (\$12,965.25, paid June 2022)