

RETIREMENT BOARD OF TRUSTEES MEETING MINUTES

COMMENCEMENT

1. Chairperson call meeting to order.

Meeting Date	Start Time	End Time	Meeting Type
1/10/2024	12:00 PM	12:29 PM	Regular
Meeting Information City Hall Building, Sixth Floor Conference Room 810 Union Street, Norfolk, Virginia 23510 Board Chair participated remotely from his residence in Norfolk, VA, due to illness.			

2. Roll call.

	Present
Lawrence A. Bernert, III (Chair)	<input checked="" type="checkbox"/>
Yvonne T. Allmond (Vice-Chair)	<input checked="" type="checkbox"/>
Elizabeth (Liz) A. Delude	<input checked="" type="checkbox"/>
John Garris	<input checked="" type="checkbox"/>
Lashawnda Hall	<input checked="" type="checkbox"/>
Jean Hopkins	<input checked="" type="checkbox"/>
Daryl Howard	<input checked="" type="checkbox"/>
James Izard (Investment Committee Chair)	<input checked="" type="checkbox"/>
Christine Garczynski (Admin and Planning Committee Chair)	<input checked="" type="checkbox"/>
Catheryn Whitesell	<input type="checkbox"/>

Additional Attendees

Penny DeLosh Executive Director	Justin Payne Retirement Benefits Specialist II	Andy Fox Deputy City Attorney I

3. Approval of minutes of meeting held November 1, 2023:

☒ **Approved** ☐ **Denied**

REPORTING	
Reporting Period: December 2023 – January 2024	TOTAL (Submitted/Approved)
A. Service Retirement Applications	41
1. Normal Service Retirement	11
2. Normal Service Retirement with DROP	5
a. General Employees	3
b. Public Safety Employees	2
3. Early Service Retirement – Reduced Benefit	3
4. Early Service Retirement – Deferred Benefit	1
5. Vested Service Retirement	21
B. Disability Retirement Applications	0
1. Accidental Disability Retirement	0
2. Ordinary Disability Retirement	0
C. Disability Reexamination Determinations	0
D. DROP Exit Report	4
E. Report of Deaths	24
1. Retiree	18
2. Spouse or Beneficiary	6
F. Death Benefit Claims	16
G. Retirement Rescissions	0
H. Previous Docket Amendments and Corrections	0
I. Non-Vested Member Separation from Employment	9
Total	\$67,957.79

J. Obligations Reported for Payment

Refer to EXHIBIT 1

K. Committee Reports

1. Administration and Planning Committee – no meeting
 - a. Code of Ethics and Conduct – pending approval
 - i. Anticipated approval during March 6, 2024, Board of Trustees meeting
 - b. NERS Board of Trustees Governance Manual – pending approval
 - i. Anticipated approval during March 6, 2024, Board of Trustees meeting

-
2. Investment Management Committee
 - a. Meketa Investment Group investment and market review
 - i. Economic and Market Update as of November 30, 2023
 - ii. Fund Performance Update as of November 30, 2023 - As of November 2023, the portfolio's year to date rate of return was 4.5 percent, which is below the industry benchmark of 6.4 percent
 - iii. Calendar Year 2023 year to date rate of return, including December's rate of return, was 11.4 percent, which exceeded the NERS 6.75 percent assumed rate of return
 - iv. Federal activity on interest rates is anticipated to be higher for longer
 - v. The influx of additional dollars resulting from the effects of savings as of result of COVID have been exhausted
 - vi. Investment Committee recommended a change to the Hedge Fund benchmark from 100% HFRI Macro (Total) Index to a spliced index of equal parts HFRI Macro (Total) Index, CBOE Eurekahedge Long Volatility Index and the Société Générale Trend Index
 - 1) NERS Board of Trustees approved the change to the Hedge Fund and Total Fund benchmarks as well as the Risk Mitigation Custom Benchmark. This change represents a more accurate picture of the three styles of strategies in the asset class. The Investment Policy Statement (IPS) will be modified to incorporate the approved Hedge Fund and Total Fund changes.

L. Other / Old Business

1. UBS
 - a. No redemption received
2. Death Benefit Overpayments
 - a. Ongoing communication efforts to contact next of kin and/or the Executor of Estate regarding this matter will continue
 - b. Ten (10) overpayment plans have been recouped in full
 - c. Five (5) payment plans have been executed and are in good standing
 - d. As of January 10, 2024, \$145,000 of the initial \$825,000 overpayment amount has been recouped
 - e. Industry-wide concern – Social Security Administration only receives 19% of death notifications

M. New Business/Other

1. Introduction of new Board of Trustee Appointee, Jean Hopkins – Resolution 1,908; term January 1, 2024, through December 31, 2027
 - a. Ms. Hopkins served as City Clerk from 2017 up until her NERS retirement in 2023
2. Reappointment of Board of Trustee Appointee, Jim Izard – Resolution 1,908; term January 1, 2024, through December 31, 2027
3. Certificate of Appreciation – Arthur (Butch) Eason, mailed December 2023
4. Fiscal Year 2023 External Audit and Annual Financial Reports
 - a. CLA (CliftonLarsonAllen LLP) performed an independent audit of NERS financial statements and expressed an unmodified, or clean, opinion thereon, which means the financials are presented fairly
 - b. [Fiscal Year 2023 Annual Comprehensive Financial Report \(ACFR\)](#)
 - c. [Fiscal Year 2023 Popular Annual Financial Report \(PAFR\)](#)

N. Next Meeting: March 6, 2024

1. Anticipated Quorum: ☒ Yes ☐ No
2. Scheduled Guest Speaker(s)

O. Adjournment

Exhibit 1

Obligations Reported for Payment: December 2023 – January 2024

	Description	Amount
1.	State Street Corporation	\$5,500.00
2.	Cheiron	\$10,655.60
3.	Retirement Payroll December 2023 & January 2024	\$17,371,380.56
4.	Meketa Investment Group, Inc.	\$103,819.91
5.	Penny DeLosh	\$219.13
6.	Government Finance Officers Association (GFOA)	\$1,470.00
7.	TOTAL	\$17,493,045.20

Additional Details

1. Custodial Services - December 2023 \$2,500 (estimated); January 2024 \$3,000 (estimated)
(Payment is auto debited from the investment cash account)
2. Actuarial Services - December 2023 \$5,327.80 (estimated); January 2024 \$5,327.80 (estimated)
3. Monthly Benefits Payroll - December 2023 \$8,771,380.56 (actual) and January 2024 \$8,600,000.00 (estimated)
4. Outsourced Chief Investment Officer Services (OCIO) – December 2023 \$51,819.91; January 2024 \$52,000 (estimated)
5. NERS Board Meeting Lunch \$219.13 (November 1, 2023, paid November 2023)
6. Application Fee for Certificate of Achievement Award for FY 2023 Annual Comprehensive Financial Report (ACFR) and Award for Outstanding Achievement in Popular Annual Financial Report (PAFR); (paid December 2023)