

**RETIREMENT BOARD OF TRUSTEES
MEETING MINUTES**

COMMENCEMENT

1. Chairperson call meeting to order.

Meeting Date	Start Time	End Time	Meeting Type
7/17/2024	12:00 PM	12:39 PM	Regular

Meeting Information

City Hall Building, Sixth Floor Conference Room
810 Union Street, Norfolk, Virginia 23510

2. Roll call.

	Present
Yvonne T. Allmond (Chair)	<input checked="" type="checkbox"/>
Elizabeth (Liz) A. Delude (Vice-Chair)	<input checked="" type="checkbox"/>
John R. E. Garris	<input checked="" type="checkbox"/>
Lashawnda W. Hall	<input checked="" type="checkbox"/>
Jean G. Hopkins	<input checked="" type="checkbox"/>
Daryl N. Howard	<input type="checkbox"/>
James (Jim) J. Izard II (Investment Committee Chair)	<input checked="" type="checkbox"/>
Mark R. Warden	<input checked="" type="checkbox"/>
Christine A. Garczynski (Admin and Planning Committee Chair)	<input checked="" type="checkbox"/>
Catheryn R. Whitesell	<input checked="" type="checkbox"/>

Additional Attendees

Penny DeLosh Executive Director	Jackie Cowan Retirement Benefits Administrator	David Russell Clearstead Intern (M. Warden)
Ian Fitzgerald Clearstead Intern (M. Warden)		

3. Approval of minutes of meeting held May 1, 2024:

Approved Denied

REPORTING

Reporting Period: June 2024 – July 2024		TOTAL (Submitted/Approved)
A. Service Retirement Applications		32
1. Normal Service Retirement		11
2. Normal Service Retirement with DROP		2
a. General Employees		1
b. Public Safety Employees		1
3. Early Service Retirement – Reduced Benefit		2
4. Early Service Retirement – Deferred Benefit		2
5. Vested Service Retirement		15
B. Disability Retirement Applications		3
1. Accidental Disability Retirement		1
2. Ordinary Disability Retirement		2
C. Disability Reexamination Determinations		1
D. DROP Exit Report		1
E. Report of Deaths		27
1. Retiree		20
2. Spouse or Beneficiary		7
F. Death Benefit Claims		12
G. Retirement Rescissions		0
H. Previous Docket Amendments and Corrections		0
I. Non-Vested Member Separation from Employment		2
Total		\$10,073.63

J. Obligations Reported for Payment

Refer to EXHIBIT 1

K. Committee Reports

1. Administration and Planning Committee – no meeting
 - a. NERS Board of Trustees Governance Manual Revisions – Board Approved
 - i. Investment Committee membership increased from four (4) to five (5) Trustees (Page 16)
 - ii. Exhibit 1: Trustee Information updated (Page 57)
 - iii. Exhibit 2: (1) Investment Committee Membership updated (Page 59)

iv. Exhibit 4: Professional Service Providers – Medical Examiners updated
(Page 63)

2. Investment Management Committee –

a. Meketa Investment Group investment and market review
i. Economic and Market Update and Executive Summary

NERS	May 31, 2024	April 30, 2024	March 31, 2024
Total Fund Balance	\$1.32 Billion	\$1.29 Billion	\$1.33 Billion
Funded Status	86%	84%	87%
NERS Assumed Rate of Return	6.75%	6.75%	6.75%
FYTD Rate of Return	9.4%	6.6%	8.9%
12 Months Trailing Rate of Return	12.7%	8.4%	11.9%
Monthly Rate of Return	2.6%	-2.2%	2.6%
Monthly Gains/Losses	\$34.7 million	-\$28.7 million	\$33.7 million
Monthly Net Cash Flow	-\$7.6 million	-\$7.7 million	-\$8.4 million

ii. Performance Update as of May 31, 2024

Performance Update As of May 31, 2024													
Asset Class Performance Summary													
	Market Value (\$)	% of Portfolio	1 Mo (%)	QTD (%)	YTD (%)	FYTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date	
Total Fund	1,317,866,233	100.0	2.6	0.4	4.9	9.4	12.7	2.7	7.1	5.9	7.8	Oct-90	
Total Fund Policy Benchmark			2.8	0.9	5.8	11.0	14.7	3.6	7.9	6.2	8.0		
Total Fund Actual Allocation Benchmark			2.7	0.7	5.4	10.6	14.0	--	--	--	--		
Total Fund Public Benchmark			3.4	0.2	5.6	12.4	17.1	2.5	7.7	6.2	8.0		
Growth Assets	735,128,128	55.8	3.5	0.3	8.4	15.6	22.0	--	--	--	16.2	Dec-22	
Growth Assets Custom Benchmark			4.1	1.0	9.1	17.0	23.6	--	--	--	17.6		
Global Equity	732,251,643	55.6	3.5	0.3	8.5	15.7	22.0	4.3	11.4	8.7	9.2	Oct-90	
Global Equity Policy Benchmark			4.1	0.5	8.3	16.2	23.0	4.5	11.3	8.4	9.5		
Private Equity	2,876,485	0.2											
Credit	64,602,551	4.9	1.2	0.6	3.0	9.4	10.8	--	--	--	10.6	May-23	
Credit Custom Benchmark			1.0	0.9	2.9	10.1	12.3	--	--	--	10.7		
High Yield & Bank Loans	64,602,551	4.9	1.2	0.6	3.0	9.4	10.8	--	--	--	10.6	May-23	
High Yield & Bank Loans Custom Benchmark			1.0	0.9	2.9	10.1	12.3	--	--	--	10.7		
Inflation Hedges	274,876,500	20.9	1.9	1.9	2.0	2.4	2.5	--	--	--	-3.5	Dec-22	
Inflation Hedges Custom Benchmark			1.2	2.2	2.4	2.4	2.4	--	--	--	-1.6		
Real Estate	101,360,760	7.7	1.8	-0.7	-3.8	-9.2	-9.7	-1.3	-0.9	3.4	5.4	Apr-11	
NCREIF ODCE (Net)			0.0	0.0	-2.6	-9.4	-12.0	2.5	2.6	5.8	7.1		
Natural Resources & Infrastructure	66,014,145	5.0	1.8	3.2	4.9	9.5	16.1	--	--	--	4.7	Apr-23	
S&P Global LargeMidcap Resources & Commodities NR USD			2.3	4.3	5.4	9.4	16.1	--	--	--	4.5		
Gold	47,693,201	3.6	3.6	7.4	11.4	17.7	14.7	--	--	--	9.7	Apr-23	
60% Gold (Spot)/ 40% FTSE Gold Mines			2.9	6.9	11.4	18.9	16.6	--	--	--	11.9		
Short-Term TIPS	59,808,393	4.5	0.9	0.8	1.7	4.7	4.5	--	--	--	3.9	Mar-23	
Bloomberg U.S. TIPS 0-5 Year			0.9	0.8	1.6	4.7	4.5	--	--	--	4.7		

Performance Update As of May 31, 2024													
	Market Value (\$)	% of Portfolio	1 Mo (%)	QTD (%)	YTD (%)	FYTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date	
Risk Mitigation	243,259,054	18.5	1.3	-1.1	-1.7	0.0	0.2	--	--	--	2.1	Dec-22	
Risk Mitigation Custom Benchmark			1.0	-0.7	-0.1	2.6	2.6	--	--	--	2.5		
Investment Grade Fixed Income	176,619,619	13.4	2.1	-1.5	-2.8	-0.2	-0.4	-3.4	-0.3	1.3	5.0	Oct-90	
Bloomberg U.S. Aggregate Index			1.7	-0.9	-1.6	1.7	1.3	-3.1	-0.2	1.3	5.0		
Intermediate-Term Bonds	129,044,015	9.8	1.9	-0.8	-1.4	2.1	1.8	-2.7	0.1	1.5	5.1	Oct-90	
Bloomberg U.S. Aggregate Index			1.7	-0.9	-1.6	1.7	1.3	-3.1	-0.2	1.3	5.0		
Long-Term Bonds	47,575,604	3.6	2.9	-3.3	-6.4	-7.2	-7.2	--	--	--	-4.0	Mar-23	
Bloomberg U.S. Treasury: Long			2.9	-3.4	-6.6	-7.1	-7.2	--	--	--	-4.0		
Hedge Funds	64,411,455	4.9	-0.8	-0.1	1.0	0.0	1.7	--	--	--	3.0	Apr-23	
Hedge Fund Custom Benchmark			-1.3	-0.2	5.3	5.8	6.9	--	--	--	6.4		
Cash	2,227,980	0.2											

iii. Comparison to June 30, 2023

Performance Update | As of June 30, 2023

Asset Class Performance Summary												
	Market Value (\$)	% of Portfolio	1 Mo (%)	QTD (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date	
Total Fund	1,248,442,785	100.0	3.1	2.7	7.2	8.4	7.1	5.4	6.5	7.7	Oct-90	
Total Fund Policy Benchmark			3.3	2.9	7.8	9.5	7.6	6.0	6.5	7.9	Oct-90	
Total Fund Actual Allocation Benchmark			3.1	2.7	7.6	--	--	--	--	--	Oct-90	
Total Fund Public Benchmark			4.2	4.1	10.3	10.5	5.6	5.5	6.4	7.6	Oct-90	
Growth Assets	671,956,583	53.8	5.5	5.7	12.7	--	--	--	--	8.4	Dec-22	
Growth Assets Custom Benchmark			5.6	6.1	13.9	--	--	--	--	8.9	Dec-22	
Global Equity	671,956,583	53.8	5.5	5.7	12.7	15.8	11.2	7.9	9.2	9.0	Oct-90	
Global Equity Policy Benchmark			5.8	5.9	13.2	16.1	11.0	7.6	8.9	9.2	Oct-90	
Credit	53,501,269	5.1	1.3	--	--	--	--	--	--	1.9	May-23	
Credit Custom Benchmark			2.0	2.4	5.0	--	--	--	--	1.4	May-23	
High Yield & Bank Loans	53,501,269	5.1	1.3	--	--	--	--	--	--	1.9	May-23	
High Yield & Bank Loans Custom Benchmark			2.0	2.4	5.0	0.6	4.7	3.7	4.3	1.4	May-23	
Inflation Hedges	233,410,832	18.7	0.1	-2.3	-3.1	--	--	--	--	-7.4	Dec-22	
Inflation Hedges Custom Benchmark			0.0	-2.6	-2.3	--	--	--	--	-4.7	Dec-22	
Real Estate	90,643,992	7.3	-0.5	-1.6	-6.1	-12.1	2.5	1.8	5.4	6.6	Apr-11	
NCREIF ODCE (net)			-2.8	-2.8	-6.1	-10.7	7.1	5.6	7.8	8.5	Apr-11	
Natural Resources & Infrastructure	31,502,822	2.5	6.1	-3.7	--	--	--	--	--	-3.7	Apr-23	
S&P Global LargeMidCap Commodity and Resources NR USD			6.1	-3.8	-5.2	6.2	19.3	7.4	5.1	-3.8	Apr-23	
Gold	35,778,914	2.9	-2.6	-5.4	--	--	--	--	--	-5.4	Apr-23	
60% Gold (Spot)/ 40% FTSE Gold Mines			-2.0	-4.1	5.1	6.6	--	--	--	-4.1	Apr-23	
Short-Term TIPS	75,477,780	6.0	-0.2	-0.7	--	--	--	--	--	0.2	Mar-23	
Bloomberg US Treasury TIPS 0-5 Yr TR			-0.2	-0.7	1.5	0.1	2.3	2.7	1.7	1.2	Mar-23	
MLPs	7,325	0.0										
Risk Mitigation	279,574,101	22.4	0.2	-0.1	3.6	--	--	--	--	3.1	Dec-22	
Risk Mitigation Custom Benchmark			0.0	-0.3	1.5	--	--	--	--	1.2	Dec-22	
Investment Grade Fixed Income	214,525,350	17.2	-0.2	-1.0	3.0	0.1	-3.5	1.0	1.7	5.2	Oct-90	
Bloomberg US Aggregate TR			-0.4	-0.8	2.1	-0.9	-4.0	0.8	1.5	5.1	Oct-90	
Intermediate-Term Bonds	163,279,749	13.1	-0.3	-0.6	2.9	0.0	-3.6	0.9	1.7	5.2	Oct-90	
Bloomberg US Aggregate TR			-0.4	-0.8	2.1	-0.9	-4.0	0.8	1.5	5.1	Oct-90	

Performance Update | As of June 30, 2023

	Market Value (\$)	% of Portfolio	1 Mo (%)	QTD (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
Long-Term Bonds	51,245,601	4.1	0.0	-2.3	--	--	--	--	--	2.3	Mar-23
Bloomberg US Treasury Long TR			0.0	-2.3	3.7	-6.8	-12.1	-0.9	1.8	2.3	Mar-23
Hedge Funds	64,442,797	5.2	1.7	3.6	--	--	--	--	--	3.6	Apr-23
HFRI Macro (Total) Index			1.1	1.7	-0.8	-0.4	7.3	5.0	31	1.7	Apr-23
Cash	605,953	0.0									

iv. Performance Summary as of May 31, 2024

1. As of June 30, 2023, Total Plan Actuarial Liability (AL) is \$1.531

billion and the Actuarial Value of Assets (AVA) is \$1.294 billion for an Actuarial Funded Ratio (AVA/AL) of 85%. Using the Market Value of Assets (MVA), the Market Funded Ratio (MV/AL) was approximately 84% in April 2024 and 86% in May 2024

b. Investment 101 Training Completion

c. Lower Investment Grade bonds

i. Discussion regarding bonds in portfolio being below a BBB investment grade

ii. Investment Committee Chair to correspond with Meketa to indicate that these funds will be followed closely by Committee to determine if changes should be made

L. Other / Old Business

1. UBS
 - a. \$324,276.99 received on July 5, 2024

M. New Business/Other

1. \$34,375,000.00 City of Norfolk's Employer Annual Contribution disbursed to NERS State Street Bank July 2, 2024, with Meketa investment direction
2. \$8,716,323.00 City of Norfolk's Section 115 Trust fund contribution disbursed to NERS State Street Bank July 2, 2024, with Meketa investment direction
3. FY2025 NERS 1.80% Contribution Interest Refund Rate confirmed via bankrate.com – Board Approved
4. NERS implemented the annual Retirement Benefit Verification (Proof of Life) initiative confirming retirees' and beneficiaries' personal information
 - a. Mailed 1,500 in the initial tier, of which approximately 1,200 have been returned
 - b. The next tiers will be sent out in 1,500 increments over the coming months
5. NERS received the prestigious Certificate of Achievement for Excellence in Financial Reporting for its FY 2023 Annual Comprehensive Financial Report (ACFR). This is the 19th consecutive year NERS has earned this achievement from the Government Finance Officers Association
6. Board of Trustees Annual Acknowledgements requiring signature:
 - a. Board of Trustee Signature Required
 - i. Code of Ethics and Conduct Appendix A – Annual Ethics Policy Acknowledgement Statement – signatures obtained by Trustees in attendance
 - ii. Governance Manual Appendix B – Annual Financial Disclosure/Conflict of Interest Affidavit – signatures obtained by Trustees in attendance
 - b. Meketa Investment Group Signature Required
 - i. Governance Manual Appendix A – Standard of Conduct Questionnaire for Service Providers – to be sent by email for signature
7. National Association of Public Pension Attorneys (NAPPA)
 - a. \$1,181.89 expenses reimbursement for 2024 NAPPA legal education conference for Andy Fox – Board Approved
8. Social Security Windfall Elimination Provision
 - a. WTKR news article distributed regarding a NERS retiree who was subject to this provision

N. Next Meeting: September 11, 2024

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

O. Adjournment

Exhibit 1
Obligations Reported for Payment: June 2024 – July 2024

	Description	Amount
1.	State Street Corporation	\$6,000.00
2.	Cheiron	\$10,975.20
3.	Retirement Payroll April 2024 & May 2024	\$16,999,218.03
4.	Meketa Investment Group, Inc.	\$121,525.70
5.	NowCare Physicians	\$400.00
6.	TOTAL	\$17,138,118.93

Additional Details

1. Custodial Services - June 2024 \$3,000.00 (estimated); July 2024 \$3,000.00 (estimated)
(Payment is auto debited from the investment cash account)
2. Actuarial Services – June 2024 \$5,487.60 (estimated); July 2024 \$5,487.60 (estimated)
3. Monthly Benefits Payroll - June 2024 \$8,399,218.03 (actual) and July 2024 \$8,600,000.00 (estimated)
4. Outsourced Chief Investment Officer Services (OCIO) – June 2024 \$60,762.85 (estimated); July 2024 \$60,762.85 (estimated)
5. Fees for Medical Board Review & Determination (R. Bonney) – paid June 2024