

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

October 5, 2016

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 fifth floor conference room in the City of Norfolk, Virginia. The meeting began at 12:05 p.m. on October 5, 2016, with Trustee Christopher Neikirk presiding on behalf of Chairperson Stephanie Calliott. The following was the result of the roll call:

Attending the Meeting

C.R. Neikirk
Y.T. Allmond
B. Eason
S. Joy-Hogg
N.E. Nelson
E.G. Tucker
C. Garczynski

Absent

S.A. Calliott
L.A. Bernert
K.W. Crowder

Galen Gresalfi, Executive Director, Mary L.G. Nexsen, Deputy City Attorney, Adele Daniels, Administrative Assistant II, Penny DeLosh, Accountant IV also attended the meeting. Adisa Muse, Executive Assistant to the Mayor and Louis DeCuir, a City of Norfolk resident, attended the meeting as observers.

The minutes for the meeting held on September 7, 2016, were approved.

KPMG Auditors Archie Simmons, Jr., Senior Management and Emily Avery, Senior Associate, gave a presentation to the Board of Trustees with focus in the areas of:

- The KPMG Client Service Team
- Risk Assessment – priority areas and other significant areas
- Fraud Risk – Management responsibilities related to fraud
- The Audit Calendar
- Reports to be issued – including financial statements, required communications with those charged with governance, and required internal control and compliance opinion under Government Auditing Standards.

New Business

A. Application for Vested Service Retirement:

Sandra E. Hindlin Thompson, Active No. 22690, October 1, 2016, with no refund due.
[Human Services]

B. Application for Early Service Retirement:

Lisa F. Copeland, Active No. 29771, December 1, 2016, with no refund due.
[Parking]

C. Applications for Normal Service Retirement:

Philip A. Lefevre, Active No. 31763, November 1, 2016, with no refund due.
[Utilities]

Melvin N. Barrett, Active No. 22537, December 1, 2016, with no refund due.
[Utilities]

James E. Bland, Active No. 27609, December 1, 2016, with no refund due.
[Recreation, Parks and Open Space]

Mary E. King, Active No. 22108, January 1, 2017, with no refund due.
[Human Services]

Mary L. Scott, Active No. 22313, January 1, 2017, with no refund due.
[Human Services]

Vanessa R. Steele, Active No. 17519, January 1, 2017, with no refund due.
[Human Services]

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

Joseph N. Clark, Jr., Active No. 25145, November 1, 2016, with no refund due.
[Police]

*The Board approved **Item A** – Application for Vested Service Retirement; **Item B** – Application for Early Service Retirement; **Item C** – Applications for Normal Service Retirement; and **Item D** – Application for Deferred Retirement Option Program (DROP).*

E. Death of Retired Members:

William H. Johnson, Ret. No. 06448, death occurred March 28, 2016. Spouse elected monthly benefit of \$516.23.

Susan Hitchings, Ret. No. 06027, death occurred June 20, 2016. No benefit payable due to no surviving spouse or dependent children.

James G. Mahone, Ret. No. 03333, death occurred June 25, 2016. Spouse elected lump sum payment of \$7,553.00.

Arthur Schmidt, Ret. No. 04203, death occurred August 12, 2016. No benefit payable due to no surviving spouse or dependent children.

Charles McCaskill, Ret. No. 04342, death occurred August 20, 2016. Spouse benefit selection pending.

Doris P. Watson, Ret. No. 03963, death occurred August 28, 2016. No benefit payable due to no surviving spouse or dependent children.

Herbert J. Jennings, Ret. No. 02366, death occurred August 30, 2016. No benefit payable due to no surviving spouse or dependent children.

Marvin Beacham, Ret. No. 01988, death occurred September 2, 2016. No benefit payable due to no surviving spouse or dependent children.

John G. Reed, Ret. No. 01864, death occurred September 7, 2016. No benefit payable due to no surviving spouse or dependent children.

William Baxter, Ret. No. 03442, death occurred September 21, 2016. No benefit payable due to no surviving spouse or dependent children.

F. Death of Spouse:

Mildred Roberts, Spouse No. 01008, death occurred September 19, 2016. No benefit payable due to no surviving spouse or dependent children.

*The Board approved **Item E** – Death of Retired Members; and **Item F** – Death of Spouse.*

G. The Board approved withdrawal of the following contributing members with \$59,000.53 of contributions due:

<u>Member Name</u>	<u>Active Number</u>
Kevin O. Barrett	35433
Kimberly Black	33897
Emanuel K. Boomer	34382
Lashawn J. Bracy	33275
Nicole B. Carry	35707
Candice Forte	33601
Javone J.K. Gaines	35578
Edna M. Godfrey	34906
Nicole M. Goodman	34264
Girolama M. Hornef	34375
Meredith Manning	34534
Leslie H. Osborn	35021
Lola Mae Randolph	34879
Clarita T. Samalya	34455
Franklyn L. Sanfield	34777
Jaclyn M. Weiss	35687

Total - 16

H. The following report of payments from the Trust Fund received and filed:

Gourmet Gang (1)	\$ 129.88
Cheiron (2)	4,332.00
Summit Strategies Group (3)	48,655.00
Retirement Payroll (Payroll est. for October 2016)	<u>6,900,000.00</u>
Total	<u><u>\$ 6,953,116.88</u></u>

- (1) Lunch served for Board Meeting - September 7, 2016
- (2) Retainer Services - August 2016
- (3) Investment Consulting Services - July, August and September 2016

I. Disability Reexamination Status:

1	Robertson, Denise L.	Accidental	<i>Processing Paperwork</i>
2	Cratt, David	Ordinary	<i>Processing Paperwork</i>
3	Sydow, Nathan V.	Ordinary	<i>Processing Paperwork</i>
4	Lambson, Leland	Ordinary	<i>Processing Paperwork</i>
5	Wethington, Mark A.	Accidental-REX	<i>Processing Paperwork</i>
6	Russell, Clifton D.	Ordinary	<i>Not Due</i>
7	Cole, Keith J.	Accidental-REX	<i>Not Due</i>
8	Fancher, Courtney D.	Accidental	<i>Not Due</i>
9	Allison, Curtis L.	Accidental	<i>Not Due</i>
10	Pratt, Dawn M.	Accidental-REX	<i>Not Due</i>
11	Robertson, Neal A.	Accidental	<i>Not Due</i>
12	Brown, Sherrod M. Sr.	Ordinary-REX	<i>Not Due</i>
13	Doke, Annie	Ordinary-REX	<i>Not Due</i>
14	Gannaway, Stephen M.	Accidental	<i>Not Due</i>
15	Tew, Gerald R.	Ordinary	<i>Not Due</i>
16	Wynn, Nathaniel	Accidental-REX	<i>Not Due</i>

***There are 16 disability retirees up for reexamination;
5 have paperwork in process; 11 are not due at this time.***

J. Committee Reports:

Administration and Planning:

There was an Administration and Planning Committee meeting on Monday, October 3, 2016. The focus of the meeting was on revisions to the Code. Christine Garczynski projected the process would take three to six months to complete, however, the Committee is moving forward with structural changes.

Investment Management:

There was not an Investment Management Committee meeting. Chris Neikirk reported that if the additional information on the assumed returns was received from the actuaries, there would likely be a meeting in November. Galen Gresalfi confirmed that the request had been given to the actuaries.

Chris Neikirk reported that assets were flat last month at \$998 million. Liability as of 7/1/2016 was \$1.225 billion, which is an 81% funded status. The asset classes were within their target allocation ranges. Funds were tracking their respective indices.

K. Remote Participation Policy and Draft Resolution:

Mary Lou Nexsen reviewed the Remote Participation Policy with the Board and discussed the requirements and limitations when Board members cannot physically be at a meeting. Requirements include notifying the Chairperson of the inability to physically be at a meeting and having a quorum at the meeting location to conduct business. Remote participation by a member per State Code is limited to two meetings per year or 25% of the Board's meetings, whichever is less in a calendar year.

A motion was made and seconded to approve the Resolution for the Remote Participation Policy.

L. Clarification on September 7, 2016 Docket Items:

- Wallace R. Driskell, Jr., Deferred Retirement Option Program (DROP) participant was reported as Normal Service Retirement
- The following retiree deaths were reported as ordinary deaths:
 - William Henley
 - Leslie Booker
 - Milton Joyner

Other Topics:

- Galen Gresalfi discussed the Retirement Office scanning project and indicated that the bulk of the scanning has been completed. He requested Board approval to move to on-site scanning capability with the purchase of an Optical Character Recognition (OCR) compatible scanner. Mr. Gresalfi explained that when documents are entered into the digital data base, the OCR has the capability to do word reference searches or key word

searches. This becomes a very important feature for scanning, particularly in cases where a document is misfiled. The cost is approximately \$1,200 for a desktop scanner.

The Board approved the acquisition of a scanner with the request to investigate whether the City's current printing contract could be used.

- Galen Gresalfi requested Board approval for the Retirement Office payroll technician to complete a 5-day remote training course in PeopleSoft software. The retirement payroll is produced each month in the Retirement Office, and the payroll technician uses the PeopleSoft software extensively. The City's PeopleSoft technical team has also recommended the training, which they indicated has been very beneficial to staff in their office. The cost is approximately \$3,570.00.

The Board approved this item.

- As requested by Chairperson Stephanie Calliott, the Board confirmed a change in the November meeting date from Wednesday, November 2, 2016, to Wednesday, November 9, 2016.

The next meeting is scheduled for November 9, 2016, at 12:00 p.m.

There being no further business, the meeting adjourned at 12:35 p.m.

Chairperson

Executive Director