

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

May 2, 2018

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 sixth floor conference room in the City of Norfolk, Virginia. The meeting began at 12:00 p.m. on May 2, 2018, with Stephanie Calliott presiding. The following was the result of the roll call:

Attending the Meeting

Stephanie A. Calliott
Christopher R. Neikirk
Yvonne T. Allmond
Catheryn Whitesell
Christine Garczynski
Nicholas E. Nelson
Eric G. Tucker

Absent

Lawrence A. Bernert, III
Kenneth W. Crowder
Arthur M. Eason, III

Andy Fox, Human Resources Assistant Director, Galen Gresalfi, Executive Director, Mary L.G. Nexsen, Deputy City Attorney, Heather Mullen, Deputy City Attorney, Penny DeLosh, Programs Manager, Jane Bethel, retiree, Lawrence Brown, President Fire-Rescue Union, Letha McDowell, attorney representing Rodney Jacobs, retiree, attended the meeting.

The minutes for the meeting held on April 4, 2018, as amended, were approved.

New Business

A. Applications for Vested Service Retirement:

Sharron R. Paige, Active No. 25365, July 1, 2018, with no refund due.

B. Applications for Early Service Retirement:

Andrew J. Brown, Active No. 31849, June 1, 2018, early service reduced, with no refund due.

[Waste Management]

Nicholas J. Lamica, Active No. 28023, June 1, 2018, early service reduced, with no refund due.

[Utilities]

C. Applications for Normal Service Retirement:

Christine C. Allen, Active No. 33536, July 1, 2018, with no refund due.

[NCSB]

Michael T. Dixon, Active No. 25791, July 1, 2018, with no refund due.

[Utilities]

Willie E. Hoskins, Jr., Active No. 24646, July 1, 2018, with no refund due.
[Utilities]

Lilian E. Lucas, Active No. 22831, June 1, 2018, with no refund due.
[Law]

James E. Mack, Active No. 23696, July 1, 2018, with no refund due.
[Public Works]

Leon I. Milne, Active No. 28877, June 1, 2018, with no refund due.
[Public Works]

Sandra L. Owens, Active No. 28791, June 1, 2018, with no refund due.
[Parking]

Sheila Y. Perry, Active No. 25830, June 1, 2018, with no refund due.
[Human Services]

Geraldine P. Spencer, Active No. 27708, July 1, 2018, with no refund due.
[General Services]

Theresa W. Whibley, Active No. 31382, July 1, 2018, with no refund due.
[Legislative]

*The Board approved **Item A** – Applications for Vested Service Retirement; **Item B** – Applications for Early Service Retirement; and **Item C** – Applications for Normal Service Retirement.*

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

N/A

E. Exit from Deferred Retirement Option Program (DROP):

Russell N. Johnson, Ret. No. 07401R, August 1, 2018. DROP account balance due.
[Police]

Dean C. Themides, Ret. No. 07038R, May 1, 2018. DROP account balance due.
[Fire-Rescue]

F. Medical Board Review of Application for Disability Retirement Benefits and Disability Retirement Reexamination:

Curtis Allison, Ret. No. 07244R, November 1, 2015, medical board reexamination of accidental disability retirement.

*The Board approved **Item F** – Medical Board Review of Application for Disability Retirement Benefits for accidental disability retirement for Curtis Allison with a 2-year reexamination.*

Annie Doke, Ret. No. 06985R, August 1, 2014, medical board reexamination of ordinary disability retirement.

*The Board approved **Item F** – Medical Board Review of Disability Retirement Reexamination for continued ordinary disability retirement benefits for Annie Doke with an annual reexamination.*

G. Ordinary Death of Employee:

Gregory R. Moore, Active No. 33100, death occurred April 12, 2018. Designated death beneficiary election pending.

H. Death of Retired Members:

Ella M. Corprew, Ret. No. 03566R, death occurred February 11, 2018. No death benefit payable.

Patrick J. Dunn, Ret. No. 04709R, death occurred April 25, 2018. No death benefit payable.

Lloyd K. Lesueur, Ret No. 04901R, death occurred April 9, 2018. No death benefit payable.

Calias P. Murden, Ret. No. 03844R, death occurred April 11, 2018. Surviving spouse death benefit pending.

Willie Pulley Jr., Ret. No. 03846R, death occurred June 23, 2015. No death benefit payable.

Vanessa J. Redmond, Ret. No. 06719R, death occurred April 7, 2018. No death benefit payable.

Gerald Tew, Ret. No. 06997R, death occurred April 4, 2018. Surviving spouse death benefit pending.

Richard L. Turner Jr., Ret. No. 06357R, death occurred January 7, 2018. No death benefit payable.

I. Death of Retired Member (Previously Approved) Beneficiary Benefit Elected:

Marsha Parrish, Ret. No. 06548R, death occurred on December 29, 2017, reported on February 14, 2018 docket. Surviving spouse monthly death benefit elected.

Alton O. Salmon Jr., Ret. No. 04479R, death occurred March 20, 2018, reported on April 4, 2018 docket. Surviving spouse monthly death benefit elected.

*The Board approved **Item I** – Death of Retired Member (Previously Approved) Beneficiary Benefit Elected.*

J. Death of Member eligible for Vested Retirement Benefit:

N/A

K. Death of Spouses:

Mary T. Eugene, Spouse No. 01017N, death occurred February 8, 2018. No death benefit payable.

Edith Webber Nicholas, Spouse No. 00983R, death occurred November 9, 2017. No death benefit payable.

Annice J. Thompson, Spouse No. 00471N, death occurred April 6, 2018. No death benefit payable.

L. Retirement Rescissions:

N/A

M. Previous Docket Amendments and Corrections:

N/A

N. Report on Member Separations:

The Board approved withdrawal of the following contributing members with \$67,136.53 of contributions due:

Member Name	Active Number
Concepcion, Alfredo	35735
Garcia, Denise	36332
Hankins Jr., Ernest L.	36522
Macklin, Paul L.	35001
Pamplin, Kimbra S.	34926
Parker, Jacquiel R.	36250
Refuerzo, Amanda L.	36409
Riddick, Dontavious	36559
Riegle, Suzanne M.	35830
Sutton, Christopher W.	35904
Tayamen, Leo M.	35705
Akright, Stephanie B.	34151
Embree, Adam D.	36164
Etheridge, Michael M.	36018
Graham, Shenell D.	36427
Hooper, Michael D.	34358
Hopson Sr., Darren E.	36209
Jusino, Francisco S.	35357
Scott, Tiffany M.	34589
Shaw, Bonnie T.	35216
Valentine, Rashawna Y.	36275
Whitley, Kevin D.	35703
Brumfield, Donald D.	35906

Total - 23

O. Obligations Reported for Payment:

Norfolk Employees' Retirement System

OBLIGATIONS REPORTED FOR PAYMENT

May 2, 2018

State Street Corporation (1)	\$	9,588.90
Cheiron (2)		10,920.12
Summit Strategies, Inc. (3)		16,593.34
Tortoise Capital Advisors (4)		68,900.24
Harvest Fund Advisors, LLC (5)		73,546.61
PIMCO (6)		103,392.13
Frt Norfolk Plz Cardiology (7)		300.00
The Gourmet Gang (8)		162.53
Wilcox & Savage (9)		3,219.95
Retirement Payroll (10)		<u>7,047,793.74</u>
Total	\$	<u>7,334,417.56</u>

- (1) Custodial Services - May (Estimated) \$9,071.89 - \$517.01 difference between estimated and actual expense for Feb 2018 is included. Chk. 1262 in amount of \$9,071.89 issued in May.
- (2) Consulting services - May 2018 (Estimated) \$4,595.82 - \$6,324.30 difference between estimated and actual expense for Mar 2018 is included. Chk. 1263 for a total of \$10,786.26 was issued in May, \$4,595.82 retainer and \$6,190.44 in non-retainer services.
- (3) Consulting services -May 2018 (Estimated) \$16,593.34 - Q2 Payment due in June
- (4) Manager Fees - Dec 17 through Mar 18 - To be Paid by wire from SSB May 2018
- (5) Manager Fees - Dec 17 through Mar 18 - To be Paid by wire from SSB May 2018
- (6) Estimated Manager Fees - Dec 17 through Mar 18
- (7) Fort Norfolk Cardiology - (Chk. 1258)
- (8) April Meeting Lunch - (Chk. 1259)
- (9) Profesional Service Agreement No. 65620.011 - (Chk. 1261)
- (10) Payroll for April 2018

P. Disability Reexaminations Status:

	NAME	TYPE	STATUS	
1	Allison, Curtis L.	Accidental	<i>Present to BOT</i>	5/2/2018
2	Brown, Sherrod M. Sr.	Ordinary	<i>Awaiting medical records</i>	1/24/2018
3	Cole, Keith J.	Accidental	<i>Annual Reexam 2019</i>	2/1/2019
4	Cratt, David	Ordinary	<i>Medical Board</i>	1/24/2018
5	Doke, Annie	Ordinary	<i>Present to BOT</i>	5/2/2018
6	Fancher, Courtney D.	Accidental	<i>Awaiting medical records</i>	1/24/2018
7	Gannaway, Stephen M.	Accidental	<i>No Further Reexam</i>	2/14/2018
8	Lambson, Leland	Ordinary	<i>Annual Reexam 2019</i>	3/7/2018
9	Pratt, Dawn M.	Accidental	<i>Awaiting medical records</i>	1/9/2018
10	Robertson, Denise L.	Accidental	<i>No Further Reexam</i>	1/10/2018
11	Robertson, Neal A.	Accidental	<i>Awaiting medical</i>	1/23/2018
12	Russell, Clifton D.	Ordinary	<i>Annual Reexam 2019</i>	2/1/2019
13	Sydow, Nathan V.	Ordinary	<i>No Further Reexam</i>	3/7/2018
14	Tew, Gerald R.	Ordinary	<i>Awaiting medical records</i>	1/30/2018
15	Wethington, Mark A.	Accidental	<i>Medical Board</i>	12/14/2017
16	Wynn, Nathaniel	Accidental	<i>No Further Reexam</i>	2/14/2018

Q. Committee Reports: Administration and Planning & Investment Management:

- a. Administration and Planning – No meeting held.
- b. Investment Management
 - i. Monthly Flash/Capital Markets.
 - 1. As of March 31, 2018, asset market values were \$1.07 billion compared to liabilities at \$1.336 billion resulting in an 80% funding level.
 - 2. Investments are within targeted allocations.
 - ii. Update from MLP manager, Tortoise, reviewed plan since inception (March 2013)
 - 1. Negative returns since inception, decline in oil prices led to a dip in production
 - 2. Underlying fundamentals have improved but valuations have come down as a result
 - 3. Future outlook is positive due to expected increases in production. Net fund inflows in 2015 and 2017 (flat in 2016)
 - 4. Summit projects 7.5% annual return for MLPs and provided reasons as to why valuations do not reflect the fundamentals. Summit recommends an allocation reduction over time to less than 5% to reduce tracking error. IC committee agreed to no action at this time however if the MLP allocation exceeds 7.5% immediate action will be taken to reduce the exposure to target levels.
 - iii. No Anticipated Investment Committee – June 6, 2018.

R. Other / Old Business:

- a. Letha McDowell, Hook Law Center, legal representation for Mr. Rodney Jacobs, NERS retiree, presented on behalf of her client. Mr. Jacobs would like to change the named beneficiary on his optional death benefit, chosen at the time of his retirement, May 1, 2012. Ms. McDowell stated that the designated beneficiary at no time was his spouse and he is now married and would like to change the named beneficiary to his current spouse. The member has requested the change of optional beneficiary on several occasions and has been denied. Ms. McDowell interprets the

City Code 37-96 as providing the Board of Trustees the discretionary authority to construe the terms of the Plan due to ambiguity in the City code. The member does not request to change the type of benefit or the amount of the allowance, but the name of the named beneficiary only.

- b. 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.

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.

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

1. Timothy Mullen, who presented at the April 4, 2018 meeting, will be sent a letter with the determination that his retirement application was rescinded effective September 2015 and he will be eligible to file for a vested service retirement effective June 2021 based upon his normal service retirement age.
 2. Rodney Jacobs' legal request to change the optional death benefit beneficiary will be reviewed and researched by administrative and City legal personnel and the Board will be updated at the June 6, 2018 Board of Trustees meeting.
- c. Mary Lou Nexsen, Deputy City attorney, requested attendance and registration National Association of Public Pension Attorneys Meeting, June 2018.

*The Board approved **Item R(c)** – Attendance and Registration for the National Association of Public Pension Attorneys Meeting, June 2018.*

- d. Sheila Williams, benefits specialist with Retirement Office, was awarded the City's Mermaid Award for the Employee of the Quarter Award.

S. Adjournment:

Next Meeting: June 6, 2018

Anticipated Quorum: Yes

Scheduled Guest Speaker(s):