



## RETIREMENT BOARD OF TRUSTEES MEETING MINUTES

**Phone:** (757) 664-4738   
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**Form No:** 7503

### I. COMMENCEMENT

#### 1. Chairperson call meeting to order.

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

#### 2. Roll call.

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

#### Additional Attendees

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

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

Approved   
 Denied

## II. REPORTING

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

**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

<b>RETIREMENT BENEFIT ELECTION</b>	<b>As of July 5, 2022</b>
Total NERS Membership	3,579
Election Completed	1467
Remain a participating NERS member	1038
Terminate my NERS membership	429
<ul style="list-style-type: none"> <li>• Choose to allow NERS to remain in NERS</li> </ul>	23
<ul style="list-style-type: none"> <li>• I elect to port my NERS into VRS</li> </ul>	89
<ul style="list-style-type: none"> <li>• I do not have 5 years in NERS (non-vested NERS member)</li> </ul>	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**

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

## 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.	<b>TOTAL</b>	<b>\$16,994,335.48</b>

### 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)