

**MINUTES OF MEETING OF BOARD OF TRUSTEES OF THE  
CITY OF NEWPORT NEWS EMPLOYEES ' RETIREMENT FUND  
February 25 , 2016  
City Council 's Conference Room/Tenth Floor  
9:00 a.m.**

Roll Call: JoAnn Armstrong (X), Bill Eastburn (E), Art Gudikunst (X),  
Philip Hatchett (X), Frank James (X), Bobby Lanier (X),  
Greg Kubilins (X), Zoe Lumpkin (X), Richard Wuska (X).

Patrick Murphrey (X), Marty Eubank (E), Bill Keeler (E),  
Cathy Matthews (X), Tom Mitchell (X), Tonya O'Connell (X).

Others Present Retirees (3)

**1. Call to Order :**

Mr. James called the Retirement Board meeting to order at 9:02 a.m. on February 25, 2016 in the City Council's Conference Room, 10<sup>th</sup> Floor.

**2. Minutes of the Meeting of January 28, 2016 :**

Upon motion duly made and seconded and upon recommended changes made, the minutes of January 25, 2016 were unanimously approved.

**3. Committee on Investments:**

Mr. Gudikunst provided a review of the Funds for January.

a. Assets as of January 31, 2016:

Pension	\$772,088,362
Post Retirement	<u>25,931,648</u>
Total	\$798,020,010

Mr. Gudikunst discussed with the Board the performance of the Fund for the fourth quarter of 2015 and for the calendar year of 2015 as well. Mr. Gudikunst noted that the Committee also discussed the asset allocation and after discussing, the Committee felt it was necessary to reallocate some funds out of real estate and into emerging market. The Committee unanimously agreed to recommend to the Retirement Board to move \$5.0 million out of PRISA II and move \$1.5 million into Morgan Stanley Emerging and \$3.5 million into Aberdeen Emerging.

Approved Upon motion duly made and seconded, the Retirement Board unanimously agreed to move \$5.0 million out PRISA II and move \$1.5 million into Morgan Stanley Emerging and \$3.5 million into Aberdeen Emerging.

a. Cash Withdrawals:

Mr. Gudikunst commented that the Investment Committee discussed the monthly cash withdrawals needed to help fund monthly Pension benefits. After discussion, the Committee unanimously agreed to

recommend to the Retirement Board to allow Finance Staff to withdraw the February funds of \$2.6 million from Richmond Capital.

Approved Upon motion duly made and seconded, the Retirement Board unanimously agreed to allow Finance staff to withdraw \$2.6 million from Richmond Capital in February to help fund monthly Pension benefits.

**4. Committee on Administration :**

a. Update on Lump Sum calculations:

Mr. Hatchett updated the Board on the status of the lump sum payment and reminded the Board that the lump sum payment option is only available upon retirement to those who will receive a monthly annuity less than \$150. After discussing, the Board raised several issues they would like the Committee on Administration to address with either the City Attorney's office or Staff and bring back to the Board in the March meeting:

1. Prepare the ordinance which will allow for the Retirement Board to set the dollar limit for the payout amount.
2. Check to see if the spousal annuity would impact the buyout option (ie, do we need spousal approval for the payout), and are there any restrictions that the Board should be aware of.
3. Have staff look at the number of Schools employees with other projected monthly annuity amounts to determine if the monthly amount should be increased, and the total cost to the Plan of different options.

b. Policy on Individual Participation by Electronic means:

Mr. Hatchett reminded the Board that a policy was approved in order to have an individual participate by electronic means for both the meetings of the NNERF Board and the committees as presented by the Assistant City Attorney. The Board asked if the Committee on Administration would draft a white paper to establish the procedure and rules to be used when participating in the meeting electronically.

**1. Disability Review Committee :**

- a. There was no report since there have been no meetings since the last Board meeting.

**2. Benefits & Welfare Committee :**

- a. There was no report since there have been no meetings since the last Board meeting.

**3. Old Business:**

a. Securities Litigation Update:

Patrick Murphrey, Assistant City Attorney, updated the Board that the motion made in the January Board meeting to allow the law firm of Labaton Sucharow to again seek appointment of the NNERF as a co-lead plaintiff in a class action suit against SanDisk Corporation has been made.

**4. New Business:**

a. Excused Absence from the Board Meeting:

Mr. Eastburn asked to be excused due to a prior commitment.

b. Next Meeting:

**March** Board meeting will be **Thursday, March 31, 2016 at 9:00 am.**

**5. Adjournment:**

There being no further business to come before the Board, the meeting adjourned at 10:15 a.m.

A true copy, attest:



Tom Mitchell, Secretary  
Board of Trustees