

**MINUTES OF MEETING OF BOARD OF TRUSTEES OF THE
CITY OF NEWPORT NEWS EMPLOYEES' RETIREMENT FUND**

April 28, 2016

City Council's Conference Room/Tenth Floor

9:00 a.m.

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

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

Others Present: Cindy Rohlf, Assistant City Manager
Retirees (2)

1. Call to Order:

Mr. James called the Retirement Board meeting to order at 9:05 a.m. on April 28, 2016 in the City Council's Conference Room, 10th Floor.

2. Minutes of the Meeting of March 31, 2016:

Upon motion duly made and seconded and upon recommended changes made, the minutes of March 31, 2016 were unanimously approved.

3. Committee on Investments:

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

a. Assets as of March 31, 2016:

Pension	\$806,730,212
Post Retirement	<u>27,819,811</u>

Total	<u>\$834,550,023</u>
-------	----------------------

Mr. Gudikunst updated the Board on the Fund balance, how the asset allocation is still in line, and how 7 active equity fund managers underperformed compared to their indexes, most notably in the large cap arena.

b. Cash Withdrawal:

Mr. Gudikunst commented that the Investment Committee does not need to request a cash withdrawal for the month of April.

4. Committee on Administration:

Mr. Hatchett updated the Board that the ordinances for the Lump Sum option, the Compulsory Retirement Age for Public Safety employees, and the City Contributions to health insurance premiums

for employees under Code Sections 31-112c and 31-117c are being worked on by Staff and the City Attorney's office. Mr. Hatchett informed the Board the Committee on Administration will meet on May 9, 2016 at 12:00 p.m. to review and approve the ordinances to present to the Board. Mr. Hatchett asked the Board if it could hold a special Retirement Board meeting on May 9, 2016 at 1:00 p.m., in lieu of the May 26, 2016 meeting, in order to review and approve these ordinances so the Retirement Board can present these motions to City Council on May 24, 2016.

5. Disability Review Committee:

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

6. Benefits & Welfare Committee:

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

7. Old Business:

- a. Closed Session – Securities Litigation:

A motion was made by Mr. James of the Newport News Employees' Retirement Board, which was duly seconded and unanimously approved, that pursuant to Section 2.2-3711A. of the Code of Virginia, 1950, as amended, Subsection (7)., that the Retirement Board hold a Closed Meeting on the subject of litigation, for the purpose of discussing the NNERF's involvement as a named co-lead plaintiff in a class action. The closed meeting is authorized under:

Subsection (7) consultation with legal counsel pertaining to actual or probable litigation, where such consultation or briefing in open meeting would adversely affect the negotiating or litigating posture of the public body; and consultation with legal counsel employed or retained by a public body regarding specific legal matters requiring the provision of legal advice by such counsel. For the purposes of this subdivision, "probable litigation" means litigation that has been specifically threatened or on which the public body or its legal counsel has a reasonable basis to believe will be commenced by or against a known party. Nothing in this subdivision shall be construed to permit the closure of a meeting merely because an attorney representing the public body is in attendance or is consulted on a matter.

After coming back into Open Session, Mr. Hatchett of the Board of Trustees of the City of Newport News Employees' Retirement Fund made the motion, which was duly seconded, and unanimously approved, that the members of the Retirement Board certify that to the best of each member's knowledge (1) only public business matters lawfully exempted from open meeting requirements under the Virginia Freedom of Information Act, and (2) only such public business matters as were identified in the motion by which the closed meeting was convened were heard, discussed or considered in the closed meeting by the Retirement Board.

- b. Timber / Regions- Update:

Mr. Murphrey updated the Board on the status of the proposed solar farm lease and on the renewal of the Regions Bank Timberland management contract. Mr. Murphrey commented that the City Attorney's

office has reviewed the lease and returned with several comments or suggestions. Mr. Murphrey also commented that he is working with Finance on getting the Regions Bank Timberland contract amended and renewed.

8. New Business:

a. Compulsory Retirement Age Ordinance:

Mr. Murphrey presented to the Board the draft ordinance changing the Code to increase the mandatory retirement age of NNERF Public Safety employees from age 63 to 67. After reviewing, the Board unanimously agreed to recommend to City Council to accept the drafted ordinance to change the Code to increase the mandatory retirement age of NNERF Public Safety employees from age 63 to 67 as presented.

Upon motion duly made and seconded, the Retirement Board unanimously agreed to recommend to City Council to accept the drafted ordinance to change the Code to increase the mandatory retirement age of NNERF Public Safety employees from age 63 to 67 as presented.

b. Health / Dental Contributions Ordinance:

The Board tabled the discussion until the Committee on Administration had further time to review the draft ordinance.

c. Lump Sum Option Ordinance:

The Board tabled the discussion until the Committee on Administration had further time to review the draft ordinance.

d. Election - Waterworks:

Ms. O'Connell updated the Board that Eddie Harrah was elected as the trustee for the Retirement Board to represent NNERF Waterworks employees to fill the term, left vacant by Mr. Wuska retiring, which will expire December 31, 2019.

e. Next Meeting:

May Board meeting will be Thursday, May 26, 2016 at 9:00 am. Special Board meeting will be Monday, May 9, 2016 at 1:00 pm in the EDA Board Room at City Center.

9. Adjournment:

There being no further business to come before the Board, the meeting adjourned at 10:20 a.m.

A true copy, attest:



Tom Mitchell, Secretary
Board of Trustees