

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

**January 26, 2023**

**EDA Board Room, 3rd Floor**

**City Center**

**9:00 a.m.**

Roll Call: JoAnn Armstrong (X), Tom Brooks (X), William Donaldson (E),  
Travis Fisher (X), Eddie Harrah (E), Derry Haywood (X),  
Lars Lassen (X), Andrew Pribush (X), James Young (X)

Lynn Spratley (X), Marty Eubank (E), Bill Keeler (X),  
Shanti Mullen (X), Susan Goodwin (X), Virginia Saunders (X),  
Brian Sypolt (X), Teresa Tornari (X)

Others Present: Retirees (4)  
Melanie Lowe, City's Payroll Coordinator  
Theresa Griffin, City's Senior Benefits Coordinator  
Carol Villegas and James Christie, Labaton Sucharow Representatives

**1. Call to Order**

Ms. Goodwin called to order the meeting of the Retirement Board at 9:00 a.m. on January 26, 2023 in the EDA Board Room, 3<sup>rd</sup> floor at City Center.

**2. Elections of Chair and Vice Chair**

Ms. Goodwin opened the floor for nominations for Chairman of the City of Newport News Retirement Fund.

*Approved Upon motion duly made and seconded, the Board unanimously approved Mr. Fisher as the Chair of the Retirement Board for calendar year 2023.*

Mr. Fisher thanked the Board for their confidence in him and then opened the floor for nominations for Vice Chair of the Newport News Employees' Retirement Fund.

*Approved Upon motion duly made and seconded, the Board unanimously approved Mr. Brooks as the Vice Chair of the Retirement Board for calendar year 2023.*

Ms. Goodwin advised the Board that she invited Finance staff from the Retirement Division to attend the meeting and introduced them to the Board. Ms. Goodwin explained their roles and briefly discussed the team's accomplishments from the 2022 calendar year. Ms. Goodwin also thanked the Board members for their strong commitment to serve the Newport News Employees' Retirement Fund along with the retirees who attend the board meetings for their feedback and support.

Continuing her discussion of accomplishments in 2022, Ms. Goodwin noted that City Council adopted a Pension Funding Policy, which formalized the City's commitment to funding the full Actuarially Determined Contribution for NNERF during the year. She also noted the one-time supplemental "13<sup>th</sup> check" in addition to the annual COLA that was provided to eligible retirees in July. Ms. Goodwin discussed planned goals for 2023, the most significant of which was to conduct an asset allocation review for the Funds.

**3. Approval of the Minutes of the Meeting of December 15, 2022:**

*Approved Upon motion duly made and seconded, the minutes of the December 15, 2022 meeting were unanimously approved upon recommended changes made.*

**4. Committee on Investments:**

a. Funds Review – December 31, 2022 Financials:

Mr. Lassen noted the Fund lost approximately 2.8% net of fees in December. Assets as of December 31<sup>st</sup> are:

<i>Pension</i>	\$ 974,190,981
<i>Post Retirement</i>	<u>42,124,191</u>
	\$ 1,016,315,172

LODA \$ 3,184,027

b. December Market Update:

Mr. Lassen informed the Board that Meketa reviewed the December market conditions and performance with the committee. He noted that major equity and bond markets finished 2022 in negative territory, making it one of the worst years for investors since the early 1980's. However, many stocks showed resiliency with positive performance in the second half of the year. Mr. Lassen continued noting that value stocks took the lead in December, proving more resilient than growth stocks both in and outside of the U.S. Natural resource stocks and commodities sold off in December, but retained solid positive returns for the full year.

Mr. Lassen reported that the Committee and Meketa continued discussion on the economy discussing areas such as oil prices, the debt ceiling, and the labor workforce. He noted that Meketa sees several encouraging signs for the economy such as China's relaxation of its zero COVID policy which should help emerging markets rally, energy prices are coming down, inflation remains high but has slowly declined as well, and consumer prices fell for the first time in more than two years providing optimism that inflation may finally be easing.

c. 2022 Recap and 2023 Planning:

Mr. Lassen informed the Board that Meketa provided the Committee with a brief recap of the Fund's activity for 2022 noting that the Fund added several new asset managers including Crow

Realty Fund as a non-core real estate manager, JP Morgan as a core infrastructure manager, and Driehaus as an emerging market manager. The Fund also committed approximately \$21.1M to five new private equity managers in 2022. Mr. Lassen informed the Board that Meketa discussed agenda items for 2023, the most significant of which is to conduct an asset allocation review for the Fund using the new capital market assumptions. He also noted other items planned for 2023 include evaluating additional non-core real estate funds, evaluating non-core infrastructure funds, and conducting an international equity search for a new active manager.

**5. Committee on Administration:**

The Committee did not meet.

**6. Benefits and Welfare Committee:**

The Committee did not meet.

**7. Disability Committee:**

The Committee did not meet.

**8. Old Business:**

There was no old business to discuss.

**9. New Business:**

a. Labaton Sucharow Update:

Ms. Goodwin introduced the representatives Carol Villegas and James Christie from Labaton Sucharow. She also provided a brief synopsis to the Board regarding the role Labaton plays in relation to the Fund. She noted that the company has provided securities monitoring for 10 plus years at no cost to the Fund.

Ms. Villegas and Mr. Christie provided an in-depth account of what Labaton does for the Fund noting Labaton's role is essentially to monitor the Fund's investment portfolio and advise the Fund on potential litigation and recoveries from securities cases against companies that commit securities fraud. Labaton noted over the past ten years, the Fund has participated as a Lead Plaintiff in two securities fraud class actions with Labaton as our counsel, and the Fund was able to recover millions of dollars on behalf of institutional investors in these matters.

b. 2023 Retirement Board Committee List:

Ms. Goodwin touched briefly on the 2023 Retirement Board Committee List that was included in the Board packet.

c. Excused Absence:

Mr. Donaldson and Mr. Harrah requested to be excused from today's meeting.

**10 Citizen Comments on Matters Germane to the Business of the Retirement Board**

Mr. Jones, a current retiree, passed around an article from the Wall Street Journal for the Board members to read in addition to an email from the Fairfax County Fire & Rescue Retirement Association. Mr. Jones advised that this retirement system sends an annual update on the financial status of the funds that he thinks is helpful so members understand the fiscal challenges retirement funds face and suggested Board members consider a similar communication.

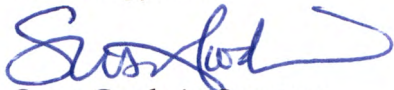
**11 Next Meeting:**

- a. The next Board meeting will be held on Thursday, February 23, 2023 in the EDA Board Room, City Center at 9:00 a.m.

**12 Adjournment:**

- a. There being no further business to come before the Board, the meeting adjourned at 9:56 a.m.

A true copy, attest:



Susan Goodwin, Secretary  
Board of Trustees