

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

**March 31, 2022**

**EDA Board Room**

**9:00 a.m.**

Roll Call: JoAnn Armstrong (X), Tom Brooks (E), William Donaldson (X),  
Travis Fisher (X), Pax Goodson (E), Eddie Harrah (X),  
Frank James (X), Lars Lassen (X), Andrew Pribush (Virtual).

Lynn Spratley (X), Marty Eubank (E), Bill Keeler (X),  
Lisa Cipriano (X), Susan Goodwin (X), Virginia Saunders (X),  
Brian Sypolt (X), Teresa Tornari (E).

Others Present: Retirees (4)  
Jen Martin - Internal Audit  
Labaton Sucharow Representative: Carol Villegas (virtual)

**1. Call to Order**

Mr. James called the Retirement Board meeting to order at 9:02 a.m. on March 31, 2022.

**2. Minutes of the Meeting of February 24, 2022:**

*Approved Upon motion duly made and seconded, the minutes of the February 24, 2022 meeting were unanimously approved.*

**3. Committee on Investments:**

a. Funds Review - February 28, 2022 Financials:

Mr. Lassen reported that the Fund lost approximately 1.1% net of fees in February. Assets as of February 28<sup>th</sup> are:

Pension	\$ 1,118,203,269
Post Retirement	<u>47,639,507</u>
	\$ 1,165,842,776

LODA	\$ 3,408,644
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b. February Market Update:

Mr. Lassen informed the Board that Meketa reviewed the February market conditions and performance with the committee. Global equity and bond markets had a challenging month in February due largely to inflationary pressures and Russia's invasion of Ukraine. He noted that the U.S. equity markets declined across most styles and sizes, with large cap stocks lagging midcap

and small cap equities, and value stocks continuing to outperform growth stocks. Mr. Lassen also informed the Board that U.S. inflation hit a forty-year high in February, reaching 7.9% year on year. The Federal Reserve signaled an interest rate hike and the official exit of quantitative easing starting in March.

c. Market Update – Russian Invasion of Ukraine:

Mr. Lassen informed the Board that Meketa continues to monitor the Russian invasion of Ukraine, noting that the invasion has created significant uncertainty and further increased volatility, which has continued into March. He noted as of March 9<sup>th</sup>, the NNERF had exposure to Russian through its emerging market equity manager, Wellington. Russia represented 0.4% of the portfolio, or approximately \$143,000. Mr. Lassen also noted Wellington intends to eliminate the Russian securities positions as regulatory and liquidity circumstances allow.

d. Introduction to Core Infrastructure:

Mr. Lassen reminded the Board that at a previous meeting Meketa provided an overview of the core infrastructure class. He informed the Board that the Fund currently has a 3% target to infrastructure and natural resources, which currently only consists of timber investments. Mr. Lassen noted adding core infrastructure would diversify the Fund and help reach its long-term infrastructure and natural resources target. Meketa presented J.P. Morgan Infrastructure Investments Fund, a core infrastructure manager, to the Committee for consideration. Mr. Lassen also noted Meketa discussed J.P. Morgan's organization, investment team, investment strategy, and their historical capital track record. Meketa recommend the Fund consider committing up to \$35M. to J.P. Morgan.

*Approved Upon motion duly made, the Retirement Board unanimously agreed to recommend that the Retirement Board committee \$35 million to J.P. Morgan Infrastructure Investments Fund and to authorize the Chairman to execute any documents necessary for the commitment, subject to City Attorney review.*

**4. Committee on Administration:**

The Committee did not meet.

**5. Benefits and Welfare Committee:**

The Committee did not meet.

**6. Disability Committee:**

a. Case # 022420:

Ms. Armstrong reminded the Board this case was previously presented to the Board and is now being brought back with a revised recommendation. She noted the applicant provided

additional records and visited the City's disability physician again. Based on the new report from the City's disability physician and information received from the applicant, the Committee is recommending 100% non-occupational disability.

*Approved Upon motion duly made, the Retirement Board unanimously agreed to award case #022420 100% non-occupational disability.*

b. Disability Policy Update:

Ms. Armstrong presented to the Board a revised Disability Administrative Policy. She noted the policy has been revised to clarify certain language to align with City code, document existing procedures and add language regarding attorney/client privilege.

*Approved Upon motion duly made, the Retirement Board unanimously agreed to adopt the revised Disability Administrative Policy as presented.*

**7. Old Business:**

a. Labaton Sucharow Update:

A motion was made by Mr. James of the City of Newport News Employees' Retirement Fund Board of Trustees, which was duly seconded and unanimously approved, that pursuant to Section 2.2-3711A of the Code of Virginia, 1950, as amended, subsection (8), that the Retirement Board hold a Closed Meeting on the subject of certain actin to be taken regarding a particular Newport News Employees' Retirement Fund investment and for the purpose of consultation with legal counsel retained by the public body as to specific legal matters requiring the provision of legal advice by such counsel regarding thereto.

After coming back into Open Session, Mr. James made the motion, which was duly seconded and unanimously approved, that the members of the Retirement Board of Trustees certify that, to the best of each member's knowledge, (1) only public business matters lawfully exempted from the open meeting requirements of the Virginia Freedom of Information Act were discussed during the closed meeting held immediately prior to reconverting in this open meeting, 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 aforementioned closed meeting of the Committee.

**8. New Business:**

a. Excused Absence:

Mr. Brooks and Mr. Goodson asked to be excused from today's meeting.

**9. Citizen Comments on Matters Germane to the Business of the Retirement Board:**

- a. Mr. Kenneth Jones, retiree, advised the Board of his concerns regarding rising prices due to inflation and the effect this is having on retirees. He asked the Board to consider possible ways they could assist retirees during these challenging times.

**10. Next Meeting:**

- a. The April Board meeting will be Thursday, April 28, 2022 in the EDA Board Room, City Center at 9:00 a.m.

**11. Adjournment:**

- a. There being no further business to come before the Board, the meeting adjourned at 9:26 a.m.

A true copy, attest:



Susan Goodwin, Secretary  
Board of Trustees