

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

May 27, 2021

Police Headquarters Community Room

9:00 a.m.

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

Patrick Murphrey (X), Marty Eubank (E), Bill Keeler (X),
Cathy Matthews (E), Susan Goodwin (X), Virginia Saunders (X),
Brian Sypolt (X).

Others Present:

1. Call to Order

Mr. James called the Retirement Board meeting to order at 9:05 a.m. on May 27, 2021.

2. Minutes of the Meeting of April 29, 2021:

Approved Upon motion duly made and seconded, the minutes of the April 29, 2021 meeting were unanimously approved.

3. Committee on Investments:

a. Funds Review – April 30, 2021 Financials:

Mr. Goodson reported that the Fund gained approximately 2.7% net of fees in April bringing the FYTD return to approximately 30.7%. Assets as of April 30th are:

Pension	\$ 1,127,923,371
Post Retirement	48,407,689
Post Retirement	<u>3,435,820</u>
	\$ 1,179,766,880

Ms. Goodwin informed the Board that the approved motion in the April meeting to transfer 3% of the Retirement Funds balance from Small-Cap Equities to the BNY Mellon TIPS index was finalized on May 24, 2021. She also noted that the approved motion to transfer 3% of the OPEB fund balance from Short-term fixed income to the Vanguard TIPS and the motion to transfer 12% of the OPEB fund balance from Short-term fixed income to Vanguard Investment Grade Bond index were finalized on May 17, 2021.

4. Committee on Administration:

a. FY22 COLA:

Mr. Brooks informed the Board that the Committee discussed the COLA which is determined annually in accordance with a formula based on the Consumer Price Index (CPI) which is contained in City Code. He noted that the Committee was provided with staff's calculation for 2021, including information to support the CPI figure used. Mr. Brooks noted based on the 2020 CPI, retirees who retired prior to July 1, 2020 will receive a 0.70% COLA effective July 1, 2021.

b. Board Bylaws:

Mr. Brooks also informed the Board that the Committee was provided an updated draft of the Board By-laws which provide guidelines on how the Retirement Board operates. Ms. Goodwin mentioned that since the inception of the 2019 adopted by-laws, Mr. Murphrey, the Board's City Attorney representative, has recommended a few changes be made to clarify the procedures for meeting cancellations and Committee appointments in order to align the bylaws with current practices. Mr. Brooks noted that after discussion, the Committee recommended a few additional changes be made to Board By-laws that were presented. He informed the Board that staff noted the recommended changes and will bring back an updated draft to the Committee at a future meeting.

c. Code Review:

Mr. Brooks informed the Board that the Committee discussed a draft of several code revisions that staff are recommending to clarify administrative provisions and comply with current Federal laws. Ms. Goodwin further explained that the changes reviewed were as follows:

- i. Amend Section 31-79 Investment of Reserves based on recommendations from Meketa Investment Group
- ii. Amend Section 31-44 Military Service to clarify the requirement for employees on qualified military leave to pay the 5% employee contribution to receive service credit for time on military leave
- iii. Amend Section 31-36 Credited service required for vesting and Section 31-25 Definitions in order to clarify vesting requirements for VRS members who were covered by NNERF at the time the VRS supplement was frozen and clarify frozen VRS participants are still active for Board elections and death benefit eligibility purposes.
- iv. Amend Section 31-64.1 Limitations on benefits to modify the starting age of required minimum distributions in accordance with the Secure Act passed in December 2019.

Mr. Brooks noted the Committee will review the proposed ordinances and bring a recommendation to the Board at a later date.

5. Benefits and Welfare Committee:

The Committee did not meet.

6. Disability Committee:

a. Applicant Case #022420:

Ms. Armstrong informed the Board the Committee met on case #022420; however after review, the Committee did not have enough information to make a determination on the case. She noted the Committee requested the applicant provide additional records and will reconsider the case at a later date.

7. Old Business:

There was no old business to discuss.

8. New Business:

There was no new business to discuss.

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

No citizen comments were received.

10. Next Meeting:

- a. The June Board meeting will be Thursday, June 24, 2021 at the James 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 9:41 a.m.

A true copy, attest:



Susan Goodwin, Secretary
Board of Trustees