

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

August 30, 2018

City Council's Conference Room/Tenth Floor

9:00 a.m.

Roll Call: JoAnn Armstrong (X), Jayne Di Vincenzo (E), Pax Goodson (X),
Art Gudikunst (X), Eddie Harrah (X), Philip Hatchett (X),
Frank James (X), Gregg Kubilins (X), Zoe Lumpkin (X)

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

Others Present: Retirees (4)

1. Call to Order:

Mr. James called the Retirement Board meeting to order at 9:01 a.m. on August 30, 2018 in the City Council's Conference Room, 10th Floor.

2. Minutes of the Meeting of July 26, 2018:

Upon motion duly made and seconded, the minutes of the July 26, 2018 were unanimously approved.

3. Committee on Investments:

a. Assets as of July 31, 2018:

The Committee did not meet; however, Mr. Gudikunst provided a review of the Funds for July.

Pension	\$970,978,269
Post Retirement	<u>34,116,486</u>
Total	<u>\$1,005,094,755</u>

4. Committee on Administration:

- a. The Committee did not meet and there was no business for discussion. Mr. Hatchett advised the Board that the Committee will not meet again until October and that a key item of discussion will be retiree record review.

5. Benefits and Welfare Committee:

a. Pre-65 Health Insurance Review:

Ms. Goodwin presented a slideshow regarding Pre-65 Health Insurance for 2019. She reviewed the proposed plan design changes with the Board and was optimistic that retirees who fall into

the Pre-65 category will be pleased as all plans will experience a reduction in premiums for 2019. Ms. Goodwin advised that the Committee unanimously agreed to recommend that the Board approve adopting the new Pre-65 Health Insurance Plan design as presented.

Approved *Upon motion duly made, the Retirement Board unanimously agreed to adopt the new Pre-65 Health Insurance Plan design as presented.*

b. 2019 Retiree Benefits:

Ms. Goodwin proceeded to review with the Board further details regarding 2019 retiree benefits to include dental, vision, fitness, and Post-65 Health Insurance. Dental insurance will see a slight increase for the first time in several years. Vision insurance and retiree fitness programs will see no change. Due to the elimination of an Affordable Care Act fee on fully insured plans, our Post-65 retirees will see a significant reduction in their monthly premiums. Packets will be mailed to all retirees from the Finance Department with details about insurance and open enrollment. Finance Staff, Humana, and Anthem will also host several informational sessions for retirees to learn about their insurance options and ask any questions they may have. Ms. Goodwin noted that open enrollment will be held from November 1, 2018 through November 30, 2018 and that the new rates will go into effect on January 1, 2019.

6. Disability Review Committee:

a. The Committee did not meet and there was no business for discussion.

7. Old Business:

a. There was no old business to discuss.

8. New Business:

a. Tax Qualification Update:

Ms. Goodwin explained that, in the past, the City of Newport News Retirement Fund has been required to submit a letter of tax qualification to the IRS every 5 years and the last submittal was made in 2014 which would indicate a new letter would be due in 2019. However, the IRS no longer requires this process to be completed and, instead, places responsibility on the Fund to monitor its qualifications without IRS input. The Fund recently hired outside legal counsel to monitor the Fund for compliance with IRS regulations and to ensure any plan amendments remains in compliance. Ms. Goodwin noted that in August, our legal counsel completed their review and advised us that the Fund still meets all tax qualifications. This firm will continue monitoring tax compliance annually. Ms. Goodwin mentioned that the firm charges a fee of \$2,500 annually for this service which is reasonable compared to the other proposal received.

b. Investment Committee Appointments:

Ms. Goodwin indicated that six (6) out of seven (7) members of the Committee were due for re-appointment. Ms. Goodwin advised that City Manager Ms. Cindy Rohlf, Mr. Pax Goodson, Ms.

Jayne Di Vincenzo, and Mr. Thomas Brooks were eligible for reappointment and had indicated a willingness to serve another term. Due to term limits, Mr. Art Gudikunst and Mr. Robert Lanier will not be re-appointed; therefore, the Committee reviewed applications and found two candidates who were interested in serving and are highly qualified – Mr. Philip Hatchett and Mr. Arthur Henderson. The Committee recommended that the Board approve reappointing Ms. Cindy Rohlf, Mr. Pax Goodson, Ms. Jayne Di Vincenzo, and Mr. Thomas Brooks as well as appointing Mr. Philip Hatchett and Mr. Arthur Henderson.

Approved Upon motion duly made, the Retirement Board unanimously agreed to reappoint Ms. Cindy Rohlf, Mr. Pax Goodson, Ms. Jayne Di Vincenzo, and Mr. Thomas Brooks as well as appoint Mr. Philip Hatchett and Mr. Arthur Henderson. Mr. Philip Hatchett respectfully abstained from casting a vote due to a conflict of interest; therefore, the vote count was 7-0-1.

9. Next Meeting:

September Meeting will be **Thursday, September 27, 2018, at 9:00 a.m.**

10. Adjournment:

There being no further business to come before the Board, the meeting adjourned at 9:33 a.m.

A true copy, attest:



Susan Goodwin, Secretary
Board of Trustees