

May 10, 2019

The Second Quarterly meeting of the Board of Trustees of the City of Danville's Employees' Retirement System (ERS) convened at 8:00 a.m. on the above date at the Danville Regional Airport, Eastern Conference Room, 424 Airport Drive, Danville, VA.

Board Members Present:

Michael L. Adkins
Norman Campbell
Gina Craig
Lenard D. Lackey, Jr

Kenneth F. Larking
Joyce D. Obstler
Sherman Saunders
E. Linwood Wright

Board Members Absent:

Gus Dolianitis

Others Present:

Steven Roth, Dahab Associates, Inc., Bay Shore, New York
W. Clarke Whitfield, Jr., City Attorney, City of Danville
Sara Weller, Director of Human Resources, City of Danville
Henrietta Weaver, Secretary to the Board of Trustees
Joanne Hickey, Human Resources Consultant, City of Danville

Meeting Called to Order

Mr. Wright, Chairperson, called the meeting to order.

Roll Call

Henrietta Weaver, Secretary, conducted the roll call.

Additions/Deletions from Agenda

None

Approval of Minutes

A motion was made by Ms. Craig, seconded by Mr. Larking, and carried to approve the minutes of the quarterly meeting of February 8, 2019, as presented.

Administrative Items

The payroll changes report for the three-month period ending April 30, 2019 was presented. Gross payroll was \$1,196,220.94, which included additions of \$31,786.66, deletions of \$4,827.57, and adjustments of \$1,453.38. The disbursements for the same three-month period were \$260,912.88, which included checks written for \$251,217.64 and \$9,695.24 paid through Northern Trust. A motion was made by Mr. Larking, seconded by Ms. Craig, and carried to approve administrative items as presented.

Investment Consultant's Report

Mr. Steve Roth of Dahab Associates, Inc. of Bay Shore, New York, presented the Investment Consultant's report for the Employees' Retirement System for the quarter ending March 31, 2019.

As of March 31, 2019, the fund was valued at \$257,088,516, an increase of \$14,591,128 from December 31, 2018. For the March quarter, the total portfolio gained 7.2%. For the past twelve-month period, the portfolio returned 2.9%.

Mr. Roth presented an update on the asset allocations as of March 31, 2019. He reviewed the methodology used and the results obtained. Mr. Roth also presented an update on fixed income holdings, specifically related to anticipated changes in interest rates. No changes to current allocations were recommended.

Since the performance of the Panagora Bond Index Fund has been below the benchmark, Mr. Roth asked the Board if they would be open to hearing from other potential fixed income investment managers. Mr. Roth agreed to bring a list of recommended managers to the next meeting.

Mr. Roth stated that the consultant fee of \$62,500 had been the same for a number of years and an increase to \$70,000 was requested, beginning July 1, 2019, to keep up with rising costs. Mr. Larking moved to amend the FY2019-2020 budget to include the increased fees. The motion was seconded by Mr. Adkins and carried by the following vote:

VOTE:	8-0-1
AYE:	Adkins, Campbell, Craig, Lackey, Larking, Obstler, Saunders, Wright (8)
NAY:	None (0)
ABSENT:	Dolianitis (1)

Board and Staff Communications

Mr. Larking alerted the Board to upcoming changes in retirement benefits. Beginning in the next fiscal year, at a date to be decided, a mandatory employee contribution will be added for all new hires. Mr. Adkins added that the upcoming change would also result in administrative changes.

Mr. Adkins discussed a change to the distribution of meeting agenda packets. In an effort to increase efficiency and reduce administrative costs, the packets will be sent via a Dropbox link beginning with the next meeting. This will be the only way Board members outside the City can access and/or obtain the meeting materials.

A motion was made by Mr. Larking, seconded by Mr. Adkins, and carried to adjourn the meeting.

There being no further business, the meeting was adjourned at 8:30 a.m.

Next quarterly meeting will be August 16, 2019.

s/ E. Linwood Wright

Chairperson

s/ Henrietta Weaver

Secretary to the Board of Trustees