

August 12, 2022

The Third Quarterly meeting of the Board of Trustees of the City of Danville's Employees' Retirement System (ERS) convened at 8:01 a.m. on the above date at the Municipal Building, 2nd Floor Conference Room, 427 Patton Street, Danville, VA.

Board Members Present:

Joyce D. Obstler
Gina Craig
Lenard D. Lackey, Jr
Edgar Love

Kenneth F. Larking
Karen Black
Helm Dobbins

Board Members Absent:

Sherman M. Saunders
Michael L. Adkins

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
Sheila Williamson-Branch, City Treasurer, City of Danville
Tammy Owens, HR Consultant, City of Danville
Tiffany Swanson-Jones, Secretary to the Board of Trustees

Meeting Called to Order

Ms. Obstler called the meeting to order.

Roll Call

Tiffany Swanson-Jones, Secretary, conducted the roll call.

Additions/Deletions from Agenda

None

Approval of Minutes

A motion was made by Mr. Lackey, seconded by Mr. Dobbins, and carried to approve the minutes of the general meeting May 6, 2022, as presented.

Administrative Items

The payroll changes reports for the three-month period ending July 31, 2022 were presented. Gross payroll was \$1,339,785.21, which included additions of \$10,123.54, deletions of \$11,486.84, and adjustments of \$3,443.21. The disbursements for the same three-month period were \$338,724.32. A motion was made by Mr. Dobbins, 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 June 30, 2022.

As of June 30, 2022, the fund was valued at \$274,122,427 a decrease of \$29,428,562 from March 31, 2022. For the quarter, the total portfolio lost 8.5%. For the past twelve-month period, the portfolio returned -5.5%.

Mr. Steve Roth reviewed a letter from Loomis Sayles to update the board of a trading-related matter involving ongoing litigation against Citigroup.

Review of Investment Policy & Guideline Changes

Mr. Steve Roth of Dahab Associates, Inc. of Bay Shore, New York, presented changes to the Investment Policy and Guidelines (Investment Policy) that reflects the asset allocation changes from the general meeting on May 6, 2022 and minor adjustments. The Board reviewed and discussed. The Board discussed modifying the Fiduciary Standards paragraph before approving the Policy.

Mr. Larking moved to approve the allocation adjustment only in the Investment Policy. The motion was seconded by Ms. Craig and carried by the following vote:

VOTE:	7-0-2
AYE:	Black, Craig, Dobbins, Lackey, Larking, Love, Obstler
NAY:	None (0)
ABSENT:	Saunders, Adkins (2)

Review of Asset Allocation Deployment

Mr. Steve Roth of Dahab Associates, Inc. of Bay Shore, New York, reviewed new fund options to reflect the asset allocation changes. Mr. Roth discussed the details of the Timber Manager Search, which included Timber Opportunity Fund with Domain Capital Group & Fund V with Molpus Woodland Group.

Mr. Roth recommended investing \$5 million in the Timber Opportunity Fund with Domain Capital Group. Ms. Craig moved to authorize Dahab Associates, Inc. to proceed with Timber Opportunity Fund with Domain Capital Group as presented in

the Timber Manager Search. The motion was seconded by Mr. Love and carried by the following vote:

VOTE: 7-0-2
AYE: Black, Craig, Dobbins, Lackey, Larking, Love, Obstler
NAY: None (0)
ABSENT: Saunders, Adkins (2)

Mr. Roth discussed with Board the details of the Small Cap Manager Search, which included the following options:

	Fund	Manager
1	Small Cap Dividend Growth	Copeland Capital Management
2	Small Cap Index	Fidelity Investments
3	Small Cap Core Strategy	GW&K Investment Management
4	Russell 2000 Index Fund - Non-Lending	Northern Trust
5	Small Cap Equity	Palisade Capital Management
6	Stocks PLUS Small Cap	Pacific Investment Management Company

Mr. Larking moved to authorize Dahab Associates, Inc. to proceed with investing in the Small Cap Dividend Growth Fund with Copeland Capital Management & the Small Cap Core Strategy Fund with GW&K Investment Management as presented in the Small Cap Manager Search. The motion was seconded by Ms. Craig and carried by the following vote:

VOTE: 7-0-2
AYE: Black, Craig, Dobbins, Lackey, Larking, Love, Obstler
NAY: None (0)
ABSENT: Saunders, Adkins (2)

Board and Staff Communications

Mr. Whitfield welcomed Mr. Love to the Board.

Mr. Love expressed he was happy to serve on the Board.

Ms. Swanson-Jones stated retiree bonuses were paid in July in the amount of \$615,930.05.

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

There being no further business, the meeting was adjourned at 9:06 a.m.

Next quarterly meeting will be November 4, 2022.

s/ Joyce Obstler

Chairperson

s/ Tiffany Swanson-Jones

Secretary to the Board of Trustees