

May 11, 2018

The Second Quarterly meeting of the Board of Trustees of the City of Danville's Employees' Retirement System (ERS) convened at 8:02 a.m. on the above date at the Danville Regional Airport, Eastern Conference Room, 424 Airport Drive, Danville, VA.

**Board Members Present:**

Norman Campbell  
Gina Craig  
Gus Dolianitis  
Lenard D. Lackey, Jr

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

**Board Members Absent:**

Michael L. Adkins

**Others Present:**

David Cassels, BTG Pactual Timberland Group, Atlanta, Georgia  
Jim McBride, BTG Pactual Timberland Group, Atlanta, Georgia  
Scott Reaves, Domain Timber Advisors, Atlanta, Georgia  
Joe Sanderson, Domain Timber Advisors, Atlanta, Georgia  
Jamie Houston, Molpus Woodlands Group, Jackson, Mississippi  
Edgar Marshall, Molpus Woodlands Group, Jackson, Mississippi  
Steven Roth, Dahab Associates, Inc., Bay Shore, New York  
W. Clarke Whitfield, Jr., City Attorney, City of Danville  
Sheila Williamson-Branch, City Treasurer, City of Danville  
Henrietta Weaver, Secretary to the Board of Trustees  
Sara Weller, Director of Human Resources, City of Danville  
Joanne Hickey, Human Resources Consultant, City of Danville

**Meeting Called to Order**

Ms. Obstler, 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 Mr. Dolianitis, seconded by Mr. Wright, and carried to approve the minutes of the quarterly meeting of February 9, 2018, as presented.

### **Administrative Items**

The payroll changes report for the three-month period ending April 30, 2018 was presented. Gross payroll was \$1,062,667.72, which included additions of \$3,418.06, deletions of \$6,883.98, and adjustments of \$0.00. The disbursements for the same three-month period were \$266,121.38, which included checks written for \$255,411.38 and \$10,710 paid through Northern Trust. A motion was made by Mr. Saunders, seconded by Ms. Craig, and carried to approve administrative items as presented.

### **Investment Consultant's Report**

Mr. Rich Dahab and 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, 2018.

As of March 31, 2018, the fund was valued at \$262,580,938, a decrease of \$1,989,740 from December 31, 2017. For the March quarter, the total portfolio gained 0.3%. For the past twelve-month period, the portfolio returned 11.8%.

Mr. Roth presented an update on the asset allocations as of March 31, 2018. 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.

### **Timber Manager's Presentations**

Mr. Steve Roth of Dahab Associates, Inc. of Bay Shore, New York, gave a brief summary of the timber investment managers that were chosen through the request for proposal (RFP) process conducted by Dahab Associates, Inc.

David Cassels and Jim McBride represented BTG Pactual Timberland Investment Group of Atlanta, Georgia. They provided an overview of the firm and reviewed the investment strategy, philosophy, performance and process.

Scott Reaves and Joe Sanderson represented Domain Timber Advisors of Atlanta, Georgia. They provided an overview of the firm and reviewed the investment strategy, philosophy, and process.

Jamie Houston and Edgar Marshall represented Molpus Woodlands Group of Jackson, Mississippi. They provided an overview of the firm and reviewed the investment strategy, philosophy, performance, and process.

A motion was made by Mr. Larking to invest with Molpus Woodlands Group. The motion was seconded by Mr. Wright and carried by the following vote:

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

### **Board and Staff Communications**

Mr. Wright moved that the Board make a recommendation to City Council to maintain the actuarial soundness of the retirement fund regardless of what changes are made, i.e. benefit terms, retirement factor, etc. There was discussion of the motion.

Mr. Saunders made the following statement: "I understand and absolutely agree that this Board must be responsible for the future of employees and our city. City Council has not made any decision regarding next year's budget. The budget has been advertised, but we still have work to do. We can reduce the advertised budget but we cannot increase it. Regarding the budget and Public Safety employees, the idea is to attract and retain these employees, for the purpose of reducing crime in our City. Some people have moved to Danville to escape crime in their cities; now some are moving back/leaving our city because of crime here. City Council must explore all options available to us, as we work to finalize a budget for FY' 19."

After discussion, the motion was seconded by Ms. Obstler and carried by the following vote:

VOTE: 6-2-1  
AYE: Craig, Dolianitis, Lackey, Larking, Obstler, Wright (6)  
NAY: Campbell, Saunders (2)  
ABSENT: Adkins (1)

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

There being no further business, the meeting was adjourned at 10:30 a.m.

Next quarterly meeting will be August 17, 2018.

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Chairperson

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Secretary to the Board of Trustees