

November 16, 2018

The Fourth 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:

Greg Stump, Boomershine Consulting Group, LLC
Steven Roth, Dahab Associates, Inc., Bay Shore, New York
W. Clark Whitfield, Jr., City Attorney, 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
Sheila Williamson-Branch, City Treasurer, 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. Wright, seconded by Mr. Lackey, and carried to approve the minutes of the quarterly meeting of August 17, 2018 as presented.

Administrative Items

The payroll changes report for the three-month period ending September 30, 2018 was presented. Gross payroll was \$1,125,291.75, which included additions of \$62,113.36, deletions of \$6,930.73, and adjustments of \$698.20. The disbursements for the same three-month period were \$189,005.06, which included checks written for \$179,865.06 and \$9,140 paid through Northern Trust.

A motion was made by Ms. Craig, seconded by Mr. Larking, and carried to approve administrative items as presented.

Actuarial Valuation – Recommendation of FY2020 Rates

Mr. Greg Stump of Boomershine Consulting Group, LLC reviewed and presented on the results of the Actuary Reports for valuation date July 1, 2018.

The fiscal year 2020 actuarial recommended contribution rates as a percentage of covered payroll are 6.315% for general employees and 17.089% for public safety employees. The current contribution rates for fiscal year 2019 are 7.756% for general employees and 18.619% for public safety employees. The fiscal year 2019 contribution rates are higher than the recommended rates for fiscal year 2020.

Mr. Adkins stated this Board makes a recommendation each year to City Council on the contribution rates.

Mr. Wright moved to recommend to City Council and the City Manager the contribution rates for fiscal year 2020 budget be the actuarial recommended rates of 6.315% for general employees and 17.089% for public safety employees. The motion was seconded by Mr. Larking 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)

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 September 30, 2018.

As of September 30, 2018, the fund was valued at \$257,837,240, an increase of \$2,662,369 from June 30, 2018. For the September quarter, the total portfolio gained 2.1%. For the past twelve-month period, the portfolio returned 5.4%.

Mr. Roth presented an update on the asset allocations as of September 30, 2018. He reviewed the methodology used and the results obtained.

Proposed 2019/2020 Budget

Ms. Weaver presented the proposed Administrative Budget for the fiscal year 2019-2020. Mr. Larking moved to adopt the Administrative Budget for fiscal year 2019-2020 in the amount of \$1,029,100. The motion was seconded by Ms. Craig 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)

Appointment of Disability Appeals Panel

Mr. Adkins discussed the purpose and required composition of the Disability Appeals Panel, which must include one (1) citizen-at-large, one (1) City employee, and one (1) member of the City Administration. The following were proposed as Panel members: Harold Garrison, citizen-at-large; Cynthia Thomasson, City employee; Earl Reynolds, City Administration.

Ms. Craig moved to appoint the proposed members. The motion was seconded by Mr. Wright 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. Lackey commended City staff for their cleanup efforts after the recent tropical storm.

Mr. Wright gave a special thanks to Dahab Associates for their assistance in helping the plan become fully funded.

Ms. Weaver stated the 2019 meeting schedule will be circulated and reminded everyone of the upcoming employee trustee election taking place Monday through Wednesday of next week.

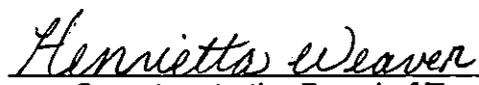
Mr. Adkins stated that having a fully funded retirement plan helps the City's creditworthiness when new debt is issued.

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

There being no further business, the meeting was adjourned at 8:55 a.m.

Next quarterly meeting will be February 8, 2019.


Chairperson


Secretary to the Board of Trustees