

August 7, 2015

The Third 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  
Joseph C. King  
R. Eddy Parham, III

Joyce D. Obstler  
E. Linwood Wright

**Board Members Absent:**

Lenard D. Lackey, Jr.  
T. Wayne Oakes

Sherman M. Saunders  
Sandra M. Stevens

**Others Present:**

Steven Roth, Dahab Associates, Inc., Bay Shore, New York  
Rich Dahab, Dahab Associates, Inc., Bay Shore, New York  
W. Clarke Whitfield, Jr., City Attorney, City of Danville  
Carol E. Howell, Secretary to the Board of Trustees  
Scott Darling, President and Portfolio Manager, American Realty Advisors, Todd Fowler, Director of Marketing and Client Service, American Realty Advisors, Peter Palandjian, CEO, Intercontinental Real Estate Corporation, Devin Sullivan, Director of Institutional Services, Intercontinental Real Estate Corporation, Michael Duignan, Executive Director, Client Portfolio Manager, JP Morgan Asset Management, Greg Pittenger, Executive Director, Client Advisor, JP Morgan Asset Management. Sara Weller, Director of Human Resources, City of Danville, Felicia R. King, Human Resources Business Analyst, City of Danville, Ken Larking, Deputy City Manager, City of Danville.

Ms. Obstler, Chairperson, called the meeting to order.

Ms. Howell, Secretary, conducted the roll call.

**Additions/Deletions from Agenda**

Ms. Obstler introduced Mr. Parham as our newest board member. Mr. Parham was elected July 1, 2015 to fill Mr. David Patterson's remaining term through December 31, 2015.

## **Real Estate Managers' Presentations**

Mr. Scott Darling, President and Portfolio Manager, and Mr. Todd Fowler, Director of Marketing and Client Service, of American Realty Advisors presented the American Core Realty Fund, a diversified core equity real estate strategy that invests primarily in high-quality core income-producing office, industrial, retail, and multi-family properties that are well-located in or near major metropolitan markets/submarkets nationwide.

Peter Palandjian, CEO, and Devin Sullivan, Director of Institutional Services, of Intercontinental Real Estate Corporation presented the U.S. Real Estate Investment Fund, LLC, a multi-disciplinary investment strategy targeting an average annual income return of 6% and a total return of 10% investing in all property types, including office, multi-family, industrial, retail, etc.

Michael Duignan, Executive Director, Client Portfolio Manager, and Greg Pittenger, Executive Director and Client Advisor, of JP Morgan Asset Management presented the Strategic Property Fund, an investment strategy that focuses on stabilized investments with high-quality physical improvements with minimal new development, including office buildings, industrial buildings, apartment units, super-regional and regional malls, neighborhood and community retail centers, and lifestyle and urban centers.

Mr. King moved to invest \$24 million, evenly split between American Realty Advisors and Intercontinental Real Estate Corporation. The motion was seconded by Mr. Wright and carried by the following vote:

VOTE: 5-0-4  
AYE: Adkins, King, Obstler, Wright, Parham (5)  
NAY: None (0)  
ABSENT: Saunders, Lackey, Oakes, Stevens (4)

## **Approval of Minutes**

A motion was made by Mr. Wright, seconded by Mr. King, and carried to approve the minutes of the quarterly meeting of May 8, 2015, and the special nominating meeting minutes of June 15, 2015, all as presented.

## **Administrative Items**

The payroll changes report for the three month period ending July 31, 2015 was presented. Gross payroll was \$952,892.15, which included additions of \$20,262.08, deletions of \$3,097.95, and adjustments of <\$2,547.82>. The disbursements for the same three month period were \$170,240.09, which included checks written for \$162,090.09 and \$8,150.00 paid through Northern Trust. A motion was made by Mr. Wright, seconded by Mr. King, and carried to approve administrative items as presented.

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

Mr. Steven Roth of Dahab Associates, Inc. of Bay Shore, New York, and Mr. Rich Dahab 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, 2015.

As of June 30, 2015, the fund was valued at \$240,221,686, a decrease of \$523,134 from March 31, 2015. For the past twelve-month period, the portfolio returned 2.5%.

### **Recommendation to Add Physician to Medical Board**

Mr. Michael Adkins moved to add Dr. Scott Spillman to the medical board. Mr. King seconded the motion.

VOTE: 5-0-4  
AYE: Adkins, King, Obstler, Wright, Parham (5)  
NAY: None (0)  
ABSENT: Saunders, Lackey, Oakes, Stevens (4)

### **Adjournment**

A motion was made by Mr. Wright to adjourn the meeting.

There being no further business, the meeting was adjourned at 10:47 a.m.

Next quarterly meeting will be November 6, 2015.

---

Chairperson

---

Secretary to the Board of Trustees