

November 4, 2016

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

Board Members Absent:

Gus Dolianitis
Lenard D. Lackey, Jr

Robert E. Parham III
Sandra M. Stevens

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

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. Larking, seconded by Mr. Linwood, and carried to approve the quarterly meeting minutes of August 5, 2016, as presented.

Administrative Items

The payroll changes report for the three month period ending October 31, 2016 was presented. Gross payroll was \$1,002,549.68, which included additions of \$20,231.91, deletions of \$54.56, and \$0.00 in adjustments. The disbursements for the same three month period were \$171,168.33, which included checks written for \$161,503.33 and \$9,665 paid through Northern Trust. A motion was made by Mr. Linwood, seconded by Mr. Larking, 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 September 30, 2016.

As of September 30, 2016, the fund was valued at \$238,567,945, an increase of \$6,344,014 from June 30, 2016. For the September quarter, the total portfolio gained 3.9%. For the past twelve-month period, the portfolio returned 12.9%.

Mr. Roth recommended \$2 million be redeemed from the HGK Trinity Street International Equity Fund and the amount be used to purchase PanAgora Bond Index Fund in order to rebalance asset allocations. A motion was made by Mr. Adkins, seconded by Mr. Larking and carried by the following vote:

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

Proposed 2017/2018 Budget

Ms. Weaver presented the proposed Administrative Budget for the fiscal year 2017/2018. Mr. Larking moved to adopt the Administrative Budget for fiscal year 2017/2018 in the amount of \$969,600. The motion was seconded by Mr. Linwood and carried by the following vote:

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

Board and Staff Communications

Ms. Weaver stated the 2017 meeting schedule will be circulated. Mr. Larking requested that any meeting that follows a City Council Thursday night work session be rescheduled.

Ms. Weaver reminded everyone of the upcoming Nominating Meeting for the current year election. The meeting will be November 7th at 5:15 pm in the Director of Finance's office.

Ms. Weaver stated that the Actuarial Funding Valuation report as of July 1, 2016 will be presented at a special meeting in January 2017. The date and time have not been decided.

Mr. Adkins announced that a Request for Proposal (RFP) will be prepared for a new actuary. He stated the current actuary has been retained for 5 years.

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 8:22 a.m.

Next quarterly meeting will be February 10, 2017.

Chairperson

Secretary to the Board of Trustees