

August 5, 2016

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
Lenard D. Lackey, Jr
Kenneth F. Larking
Joyce D. Obstler

Robert E. Parham III
Sherman M. Saunders
E. Linwood Wright

Board Members Absent:

Gus Dolianitis
Sandra M. Stevens

Others Present:

John Johnson, Eagle Capital Management, New York, NY
Bradley Huggins, Wellington Management Company, Boston, MA
Jared Synnestvedt, Wellington Management Company, Boston, MA
John Thomas, Rothschild Asset Management, New York, NY
Mary Jane Cullinan, Rothschild Asset Management, New York, NY
Steven Roth, Dahab Associates, Inc., Bay Shore, New York
Sheila Williamson-Branch, City Treasurer, City of Danville
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
Felicia King, 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

Large Cap Value Manager Search

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

Mr. John Johnson represented Eagle Capital Management of New York, New York. Mr. Johnson provided an overview of the firm and reviewed the investment strategy, philosophy, performance and process.

Mr. Jared Synnestvedt and Mr. Bradley Huggins represented Wellington Management Company of Boston, Massachusetts. Mr. Synnestvedt and Mr. Huggins provided an overview of the firm and reviewed the investment strategy, philosophy, and process.

Mr. John Thomas and Ms. Mary Jane Cullinan represented Rothschild Asset Management of New York, New York. Mr. Thomas and Ms. Cullinan provided an overview of the firm and reviewed the investment strategy, philosophy, performance, and process.

A motion was made by Mr. Wright to invest all of the funds currently held with State Street Global Advisors Large Cap Value Equity fund with Rothschild Asset Management, effectively terminating State Street Global Advisors as the large cap value manager. The motion was seconded by Mr. Lackey and carried by the following vote:

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

Approval of Minutes

A motion was made by Mr. Larking, seconded by Mr. Adkins, and carried to approve the quarterly meeting minutes of May 6, 2016, as presented.

Administrative Items

The payroll changes report for the three month period ending July 31, 2016 was presented. Gross payroll was \$982,372.33, which included additions of \$7,864.64, deletions of \$687.72, and \$683.72 in adjustments. The disbursements for the same three month period were \$220,934.49, which included checks written for \$211,554.49 and \$9,380 paid through Northern Trust. A motion was made by Mr. Larking, seconded by Mr. Parham, 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, 2016.

As of June 30, 2016, the fund was valued at \$232,213,181, an increase of \$1,624,244 from March 31, 2016. For the June quarter, the total portfolio gained 1.5%. For the past twelve-month period, the portfolio returned 2.2%.

Mr. Roth presented an update on the asset allocations as of June 30, 2016. They reviewed the methodology used and the results obtained. There were no recommendations for adjustments to the asset allocations.

Board and Staff Communications

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

There being no further business, the meeting was adjourned at 9:56 a.m.

Next quarterly meeting will be November 4, 2016.

Chairperson

Secretary to the Board of Trustees