

February 5, 2021

The First 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 Municipal Building, 2nd Floor Conference Room, 427 Patton Street, Danville, VA.

Board Members Present:

Michael L. Adkins
Gina Craig
Lenard D. Lackey, Jr
Kenneth F. Larking

Joyce D. Obstler
Sherman M. Saunders
E. Linwood Wright

Board Members Absent:

Karen Black
Gus Dolianitis

Others Present:

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
Sara Weller, Director of Human Resources, City of Danville
Henrietta Weaver, Secretary to the Board of Trustees

Meeting Called to Order

Mr. Wright called the meeting to order.

Roll Call

Henrietta Weaver, Secretary, conducted the roll call.

Additions/Deletions from Agenda

None

Appointment of Chairman and Vice-Chairman

Mr. Whitfield opened the floor for nominations for Chairman. Ms. Obstler nominated Mr. Wright. Hearing no other nominations, Mr. Whitfield closed nominations. Mr. Wright was appointed to serve as Chairman for a one-year term by the following vote:

VOTE: 7-0-2
AYE: Adkins, Craig, Lackey, Larking, Obstler, Saunders, Wright (7)
NAY: None (0)
ABSENT: Black, Dolianitis (2)

Mr. Whitfield opened the floor for nominations for Vice-Chairman. Mr. Wright nominated Ms. Obstler. Hearing no other nominations, Mr. Whitfield closed nominations. Ms. Obstler was appointed to serve as Vice-Chairman for a one-year term by the following vote:

VOTE: 7-0-2
AYE: Adkins, Craig, Lackey, Larking, Obstler, Saunders, Wright (7)
NAY: None (0)
ABSENT: Black, Dolianitis (2)

Appointment of Executive Secretary

Mr. Whitfield opened the floor for nominations for Executive Secretary for a two-year term beginning January 1, 2021 and ending December 31, 2022. Mr. Lackey nominated Mr. Adkins. Hearing no other nominations, Mr. Whitfield closed nominations. Mr. Adkins was appointed to serve as Executive Secretary for a two-year term by the following vote:

VOTE: 7-0-2
AYE: Adkins, Craig, Lackey, Larking, Obstler, Saunders, Wright (7)
NAY: None (0)
ABSENT: Black, Dolianitis (2)

Approval of Minutes

A motion was made by Ms. Craig, seconded by Ms. Obstler, and carried to approve the minutes of the general meeting November 13, 2020, as presented.

Administrative Items

The payroll changes reports for the three-month period ending January 31, 2021 were presented. Gross payroll was \$1,264,056.18, which included additions of \$14,921.43, deletions of \$15,424.07, and adjustments of (\$1,425.41). The disbursements for the same three-month period were \$308,984.40. A motion was made by Ms. Craig, 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 December 31, 2020.

As of December 31, 2020, the fund was valued at \$284,858,989, an increase of \$18,638,227 from September 30, 2020. For the December quarter, the total portfolio gained 8.2%. For the past twelve-month period, the portfolio returned 9.8%.

Mr. Roth presented an update on the asset allocations as of December 31, 2020. He reviewed the methodology used and the results obtained. He recommended an asset re-allocation from large cap equity to fixed income which would be accomplished by withdrawing \$2 million from both Loomis Sayles and Rothschild and contributing a total of \$4 million to Richmond Capital. A motion to approve the recommendation was made by Mr. Lackey, seconded by Ms. Craig, and carried by the following vote:

VOTE: 7-0-2
AYE: Adkins, Craig, Lackey, Larking, Obstler, Saunders, Wright (7)
NAY: None (0)
ABSENT: Black, Dolianitis (2)

Review of FY2020 ERS Audited Comprehensive Annual Financial Report

Mr. Adkins reviewed the fiscal year 2020 audited Comprehensive Annual Financial Report. Mr. Adkins discussed the reports of the independent auditors, the statements of plan net position and changes in plan net position, the status of the System's investments, and certain benefit statistics as of fiscal year ended June 30, 2020. Mr. Adkins also discussed the comments on internal controls.

Recommendation Regarding Levi & Korsinsky, LLP

Mr. Wright began discussion on whether to hire Levi & Korsinsky to provide security litigation claims monitoring. It was noted that the service would only be applicable to a small percentage of investment holdings. Mr. Larking made a motion to decline the use of the firm's services at this time. The motion was seconded by Mr. Saunders and carried by the following vote:

VOTE: 7-0-2
AYE: Adkins, Craig, Lackey, Larking, Obstler, Saunders, Wright (7)
NAY: None (0)
ABSENT: Black, Dolianitis (2)

Board and Staff Communications

Mr. Lackey commented that decisions made by the City Council, such as ending COLA for retirees and requiring newly hired employees to contribute to the Plan, has had a significant impact on the Plan's solvency.

Ms. Weller confirmed that neither change has negatively affected the attraction or retention of employees.

A motion was made by Ms. Craig, seconded by Mr. Adkins, and carried to adjourn the meeting.

There being no further business, the meeting was adjourned at 8:44 a.m.

Next quarterly meeting will be May 7, 2021.

s/ E. Linwood Wright
Chairperson

s/ Henrietta Weaver
Secretary to the Board of Trustees