

February 8, 2019

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 Danville Regional Airport, Eastern Conference Room, 424 Airport Drive, Danville, VA.

Board Members Present:

Michael L. Adkins
Norman Campbell
Gina Craig
Gus Dolianitis
Lenard D. Lackey, Jr

Kenneth F. Larking
Joyce D. Obstler
E. Linwood Wright

Board Members Absent:

Sherman Saunders

Others Present:

Steven Roth, Dahab Associates, Inc., Bay Shore, New York
Ryan Dodson, Asst. 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
Joanne Hickey, HR Consultant, City of Danville

Meeting Called to Order

Mr. Dodson called the meeting to order.

Roll Call

Henrietta Weaver, Secretary, conducted the roll call.

Appointment of Chairman and Vice-Chairman

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

VOTE: 8-0-1
AYE: Adkins, Campbell, Craig, Dolianitis, Lackey, Larking, Obstler, Wright
(8)
NAY: None (0)
ABSENT: Saunders (1)

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

VOTE: 8-0-1
AYE: Adkins, Campbell, Craig, Dolianitis, Lackey, Larking, Obstler, Wright (8)
NAY: None (0)
ABSENT: Saunders (1)

Appointment of Executive Secretary

Mr. Dodson opened the floor for nominations for Executive Secretary for a two-year term beginning January 1, 2019 and ending December 31, 2020. Ms. Obstler nominated Mr. Adkins. Hearing no other nominations, Mr. Dodson closed nominations. Mr. Adkins was appointed to serve as Executive Secretary for a two-year term by the following vote:

VOTE: 8-0-1
AYE: Adkins, Campbell, Craig, Dolianitis, Lackey, Larking, Obstler, Wright (8)
NAY: None (0)
ABSENT: Saunders (1)

Additions/Deletions from Agenda

None

Approval of Minutes

A motion was made by Mr. Larking, seconded by Ms. Craig, and carried to approve the minutes of the nominating meeting of November 5, 2018 and the quarterly meeting of November 16, 2018 as presented.

Administrative Items

The payroll changes report for the three-month period ending January 31, 2019 was presented. Gross payroll was \$1,170,715.23, which included additions of \$52,157.30, deletions of \$6,687.12, and adjustments of \$46.70. The disbursements for the same three-month period were \$226,143.10, which included checks written for \$226,143.10 and \$0 paid through Northern Trust. A motion was made by Ms. Obstler, seconded by Mr. Dolianitis, 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, 2018.

As of December 31, 2018, the fund was valued at \$242,506,307, a decrease of \$15,330,933 from September 30, 2018. For the December quarter, the total portfolio lost 5.0%. For the past twelve-month period, the portfolio returned -3.7%.

Mr. Roth presented an update on the asset allocations as of December 31, 2018. He reviewed the methodology used and the results obtained. There were no recommendations.

Review of FY2018 ERS Audited CAFR

Mr. Adkins reviewed the fiscal year 2018 audited Comprehensive Annual Financial Report (CAFR). 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, 2018. Mr. Adkins also discussed the comments on internal controls.

In reference to a significant deficiency reported by external auditors that the Retirement Accountant has access to create new retirees in the system, Mr. Wright called for a motion to state that the Board authorizes only Human Resources Department staff to add new retirees in the system. Mr. Lackey made the motion, which was seconded by Mr. Adkins and passed by the following vote:

VOTE:	8-0-1
AYE:	Adkins, Campbell, Craig, Dolianitis, Lackey, Larking, Obstler, Wright (8)
NAY:	None (0)
ABSENT:	Saunders (1)

Board and Staff Communications

Mr. Lackey extended thanks to the City Council for reappointment.

Mr. Wright stated that he was proud to be on the Board and thanked everyone for their efforts.

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

There being no further business, the meeting was adjourned at 8:33 a.m.

Next quarterly meeting will be May 10, 2019.

s/E. Linwood Wright

Chairperson

s/Henrietta Weaver

Secretary to the Board of Trustees