

MINUTES
Virginia Port Authority Board of Commissioners
Investment Committee Meeting
September 23, 2019

The Virginia Port Authority (“VPA”) Investment Committee (“Committee”) held a meeting on September 23, 2019, at the Virginia Port Authority, Waterside Conference Room, 101 West Main Street, 600 World Trade Center, Norfolk, Virginia.

Chairman John G. Milliken called the meeting to order at 1:00 p.m. The following were then in attendance:

Committee Members Present:

John G. Milliken, Chair, VPA Board of Commissioners
John F. Reinhart, VPA CEO and Executive Director
Rodney W. Oliver, VPA Chief Financial Officer

Committee Members Absent:

Faith B. Power, Chair, VPA Finance and Audit Committee
James Bibbs, VPA Chief Human Resources Officer

Board Members Present:

F. Blair Wimbush, Vice Chair, VPA Board of Commissioners
John C. Asbury
Val S. McWhorter
Kim Scheeler, Acting Chair for Faith Power
Louisa M. Strayhorn

Guests:

Cynthia Hannan, MassMutual
Ken Barnes, SafeView Advisory Group

VPA Staff:

Sarah McCoy, General Counsel
Chris D’Surney, Director, Human Resources
Shaune Thomas, Senior Manager, Talent Acquisition
Debra J. McNulty, Secretary to the Board

Mr. Oliver conducted the safety briefing at this time and introduced everyone. Ms. Nichole Labott and Rich Ginel, with SageView Advisory Group, participated by phone.

At this time, Chairman Milliken asked for a motion to go into closed session. Mr. Scheeler, acting chair of the Finance and Audit Committee on behalf of (Committee chair) Faith Power, read the following motion:

“I move that the VPA Board’s Investment Committee convene a closed meeting in accordance with The Virginia Freedom of Information Act, pursuant to the requirements of §2.2-3711(A)(1), the personnel exemption, to review the various retirement and pension plans as they relate to employee compensation; and pursuant to section 2.2-3711(A)(37), and the provisions of section 62.1-132.4, to discuss proprietary financial and budgetary information furnished to the VPA in confidence as it relates to the management of employee retirement plan investments; and the provisions of section

2.2-3711(A)(6) to discuss the management of the plans where competition or bargaining is involved, where if made public initially, the financial interest of the VPA would be adversely affected.”

The motion was seconded by Mr. Oliver.

At 1:54 p.m., the Investment Committee came out of closed session and Mr. Scheeler read the following:

“I move the following resolution:

WHEREAS, the Investment Committee has convened a closed meeting on this date pursuant to an affirmative recorded vote and in accordance with the provisions of The Virginia Freedom of Information Act; and

WHEREAS, §2.2-3712 of the Code of Virginia requires a certification that such closed meeting was conducted in conformity with Virginia law;

NOW, THEREFORE, BE IT RESOLVED, that the Committee certifies that, to the best of each member’s knowledge, (i) only public business matters lawfully exempted from open meeting requirements under this chapter were discussed in the closed meeting to which this certification resolution applies, and (ii) only such public business matters as were identified in the motion by which the closed meeting was convened were heard, discussed or considered by the Committee.”

The motion was seconded by Mr. Oliver.

A roll call vote of the Investment Committee members, certifying the closed session, was conducted as follows:

Ayes: 4 (Milliken, Scheeler, Reinhart, Oliver)
Nays: 0

Absent During Vote: 2
Absent During Meeting: 2

At the request of Chairman Milliken, the Investment Committee voted as follows:

Action: Upon motion by Chairman Milliken, seconded by Mr. Oliver, the Investment Committee approved the revised Investment Policy Statement (IPS) for the Virginia Port Authority (VPA) Pension Plan, including a revision to page 20, correcting an error of 199% to 19% in the Plan Asset Allocation Guidelines table (Domestic Equity), and approved the revised IPS for Virginia International Terminals, LLC (VIT) Pension Plan.

Action: Upon motion by Chairman Milliken, seconded by Mr. Oliver, the Investment Committee approved the adoption of the new Society of Actuaries mortality table for the two defined benefit plans; adopted a contribution smoothing methodology available for the VPA plan; and approved an additional \$1 million contribution to the VPA Defined Benefit Plan so that its funding level more closely resembles that of VIT.

Action: Upon motion by Chairman Milliken, seconded by Mr. Oliver, the Investment Committee approved the following recommendations by SageView:

- (1) Remove **Vanguard Long-Term Bond Index Inv** and **Vanguard Long-Term Investment Grade Adm Funds** from the VIT Defined Benefit Pension Plan and replace with **JPMorgan Core Bond R5**. Also reduce holdings in the **PGIM Total Return Bond R6** and **Vanguard Interim Term Bond Index I** by 8% (of the portfolio) and reallocate those funds to the **JPMorgan Core Bond R5**;
- (2) Remove **Brandywine GLOBAL Intl Opp Bond IS** for quantitative reasons and map assets to **Baird Core Plus Bond Inst.** in the VIT and VPA Defined Contribution Plans;
- (3) Remove **Brandywine Global International Bond Fund** from the VPA Defined Benefit Pension Plan and replace with two funds: **JPMorgan Core Bond R5** and **Vanguard Interim-Term Bond Index I**. Also reallocate funds to achieve a targeted 55% equity, 45% fixed income allocation;
- (4) Remove **Vanguard Mid Cap Growth Inv** from quantitative watch list and continue on the qualitative watch lists in the VIT and VPA Defined Contribution Plans;
- (5) Place **Harbor Capital Appreciation Retirement** on qualitative watch list in the VIT and VPA Defined Benefit Pension Plans and the VIT and VPA Defined Contribution Plans;
- (6) Place **T. Rowe Price New Horizons I** on qualitative watch list in the VIT and VPA Defined Benefit Pension Plan and in the VIT and VPA Defined Contribution Plans;
- (7) Continue **Artisan International Value Instl** on qualitative watch list in the VIT and VPA Defined Benefit Pension Plan and in the VIT and VPA Defined Contribution Plans;
- (8) Continue **Mass Mutual Core SAGIC** on qualitative watch list in the VPA Pension Plan and in the VIT and VPA Defined Contribution Plans;
- (9) Continue **Fidelity Puritan** on qualitative watch list in the VIT and VPA Defined Contribution Plans

There were no further questions and no public comments. The meeting adjourned at 2:00 p.m.

Respectfully submitted,


Debra J. McNulty
Secretary to the Board