

Minutes of the Regular Monthly Meeting  
Board of Trustees  
Employees' Retirement System of the City of Norfolk  
November 16, 2007

The regular monthly meeting of the Board of Trustees of the Employees' Retirement System of the City of Norfolk was held in the City Hall eleventh floor conference room in the City of Norfolk, Virginia. The meeting began at 12:10 p.m. on Friday, November 16, 2007, with Chairperson, Stephanie A. Calliott presiding. The following was the result of the roll call:

<u>Attending the Meeting</u>	<u>Not Attending the Meeting</u>
S. A. Calliott	Vacant
Y. T. Allmond	
L. A. Bernert, III	
S. G. de Mik	
N. Johnson	
C. R. Neikirk	
N. E. Nelson	
E. G. Tucker	

Ms. Calliott welcomed new Board members, Ms. Yvonne T. Allmond and Mr. Lawrence A. Bernert, III, to the Board of Trustees. Ms. Allmond is a Senior Vice President of Private Banking with TowneBank. Mr. Bernert is a Financial Advisor with Wilbanks, Smith & Thomas Asset Management, LLC.

Mrs. Mary L.G. Nexsen, Deputy City Attorney, and Mrs. Jessica Portis, of Summit Strategies Group, also attended the meeting.

The minutes of the monthly meeting held October 18, 2007, were approved as printed.

Mrs. Fiona E. Liston and Mr. Kevin J. Woodrich, actuaries with Cheiron, presented the results of the 2007 Actuarial Valuation. Mrs. Liston stated that Cheiron has performed the actuarial valuation of the Employees' Retirement System for the City of Norfolk as of June 30, 2007. The purpose of the valuation is to:

1. Measure and disclose, as of the valuation date, the financial condition of the System
2. Indicate trends in the financial progress of the System
3. Determine the contribution rate to be paid by the City for Fiscal Year 2009
4. Provide specific information and documentation required by the Government Accounting Standards Board (GASB)

## 5. Provide results of experience study

Mrs. Liston went on to say that, an actuarial valuation establishes and analyzes System assets and liabilities on a consistent basis, and traces the progress of both from one year to the next. It includes measurement of the System's investment performance as well as an analysis of actuarial liability, gains and losses. The Actuarial Accrued Liability at 6/30/2007 was \$972 million and the Actuarial Value of Assets at 6/30/07 was \$926 million, leaving an Unfunded Actuarial Liability at 6/30/07 of \$46 million. As of June 30, 2007, the System's accrued liability was 95% funded based on the actuarial value of assets. The results of this valuation determine the contribution rate for the fiscal year beginning July 1, 2008.

Ms. Calliott thanked Mrs. Liston and Mr. Woodrich for their presentation.

### **Committee Reports:**

#### Administration and Planning:

Mr. de Mik reported that the Committee did not have a meeting.

#### Investment Management:

Mr. Neikirk reported that the Committee did not have a meeting. He further stated that the Committee would meet prior to the December 07 Board meeting.

Ms. Calliott informed the Board that Mr. Kamal Khanna would only attend future Board meetings at the direction of the Chair. His monthly commentary and other work will continue as usual. From Mr. Khanna's commentary, Ms. Calliott informed the Board that the total return for our fund was 2.2% for the month of October.

Mrs. Jessica Portis of Summit Strategies Group reviewed with the Board the investment performance review for the quarter ended September 30, 2007.

Mr. Wilder presented an application for Ordinary Disability retirement for Mr. Louis Roulhac. Mr. Nelson made a motion to defer taking action until the December meeting. This motion was seconded by Ms. Johnson and approved unanimously by the Board.

Mr. Wilder presented an application for Ordinary Disability retirement for Ms. Alence Whitaker. Mr. Nelson made a motion to defer taking action until the December meeting. This motion was seconded by Ms. Johnson and approved unanimously by the Board.

Ms. Calliott informed the Board that meeting dates for the year 2008 would be debated. After much discussion, it was decided that the Board would meet the

third Wednesday of the month for calendar year 2008, at 12:00 noon. Committees will meet on the same day at 11:00 a.m.

New Business:

A. Applications for vested service retirement:

Thomas H. Draughn, Active No. 17589, October 1, 2007, with no refund due.

Warren J. Zaccagnini, Active No. 19767, December 1, 2007, with no refund due.

Carolyn C. Rogers-Jackson, Active No. 17430, January 1, 2008, with no refund due.

B. Application for early service retirement:

Dale H. Swartz, Active No. 26333, November 1, 2007, with no refund due.

C. Applications for normal service retirement:

Kenneth A. Ciula, Active No. 29358, September 1, 2007, with no refund due.

Malcolm E. Wooldridge, Active No. 19555, December 1, 2007, with no refund due.

Edward J. McGowan, Active No. 20077, December 1, 2007, with no refund due.

Beverly M. Jaramillo, Active No. 23399, December 1, 2007, with no refund due.

N. Clark Earl, Active No. 29403, December 1, 2007, with no refund due.

D. Death of retired members:

Sandra Perry, Ret. No. 02097, death occurred September 13, 2007. No benefit payable due to no surviving spouse or dependent children.

Edward Yankauskas, Ret. No. 02241, death occurred September 28, 2007. No benefit payable due to no surviving spouse or dependent children.

George F. Sawyer, Ret. No. 03636, death occurred October 8, 2007. Spouse elected monthly benefit of \$684.77.

John L. Holley, Ret. No. 03565, death occurred October 11, 2007. Spouse elected lump sum payment of \$8,128.97.

James V. Halsey, Ret. No. 01500, death occurred October 22, 2007. No benefit payable due to no surviving spouse or dependent children.

Harriett Roulhac, Ret. No. 02535, death occurred October 28, 2007. No benefit payable due to no surviving spouse or dependent children.

Mary Swafford, Ret. No. 04339, death occurred November 2, 2007. No benefit payable due to no surviving spouse or dependent children.

The Board approved withdrawal of the following non-contributing members:

<u>Name of Member</u>	<u>Active Number</u>
Roger Bernard Haizlip	29967
Elizabeth Ann Shearin	30305
James Scott Bracy	30631
Stephen T. Stanley	31155
Michael J. Haydu	31248
Linda H. Gonzalez	31264
Robert Bryant	31374
Jesse S. Champ, III	31526
Deborah L. MacLean	31686
Alesha J. Ray	31725
Debra L. Edwards	31814
Stephanie A. Crane	31822
Jerome Brown	31833
Christina M. Spurgeon	31924
Total Members - 14	

The following report of payments from the Trust Fund was received and filed:

Theodore Wilder	(1)	\$	995.82
Chantal Brooks, M.D.	(2)		
500.00			
Mary Lou Nexsen	(3)		127.00
Steve de Mik	(4)		47.61
Baker's Crust	(5)		199.42
McGladrey & Pullen, LLP	(6)		
10,000.00			
Cheiron	(7)		4,983.81
FedEx	(8)		98.46
Lotus Financial Consulting, LLC	(9)		
16,537.50			
Employees' Retirement System (Est. payroll Nov. 07)		—	
<u>4,841,000.00</u>			
Total		\$	<u>4,874,489.62</u>

- (1) Reimbursement for hotel expenses for Steve de Mik, Kamal Khanna, Mary Lou Nexsen, Eric Tucker and Theodore Wilder to attend the Fall Meeting of the Association of Municipal Retirement Systems of VA in Richmond on October 28-29, 2007
- (2) Medical examinations for Alence Whitaker and Louis Roulhac
- (3) Reimbursement for expenses incurred to attend Fall Meeting of AMRSVA in Richmond on October 28-29, 2007
- (4) Reimbursement for expenses incurred to attend Fall Meeting of AMRSVA in Richmond on October 28-29, 2007
- (5) Lunch served for Investment Committee Meeting held on Thursday, October 18, 2007
- (6) Second interim billing for services rendered in connection with the audit of financial statements for the year ended June 30, 2007
- (7) Monthly retainer for September 2007; Conversion Calculation and Audit Response
- (8) Information sent to: City of Richmond; City of Newport News and State Street
- (9) Consulting services for the period November 1-30, 2007

There being no further business, the meeting was adjourned at 3:18 p.m.

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Chairperson

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Executive Director