

Minutes of the Regular Monthly Meeting
Board of Trustees
Employees' Retirement System of the City of Norfolk
September 09, 2009

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 sixth floor conference room in the City of Norfolk, Virginia. The meeting began at 12:25 p.m. on Wednesday, September 09, 2009, with Vice Chairperson, Christopher R. Neikirk presiding. The following was the result of the roll call:

Attending the Meeting

Y. T. Allmond
L. A. Bernert
K. W. Crowder
D. V. Hill
C. R. Neikirk
N. E. Nelson
E. G. Tucker
R. V. K. Williams

Not Attending the Meeting

S. A. Calliott

Ms. Mary L. G. Nexsen, Deputy City Attorney, also attended the meeting.

Mr. Neikirk welcomed new board member Darrell V. Hill to the Board. The City Manager selected Mr. Hill on August 31, 2009, after an extensive national search, to be the Director of Finance & Business Services for the City of Norfolk.

The minutes for the meeting on August 12, 2009 were approved as printed with D.V. Hill abstaining.

Mr. Wilder presented an application from Mr. William Brady, Jr. for accidental disability retirement. Mr. Bernert made a motion to approve Mr. Brady's application for accidental disability retirement. This motion was seconded by Mr. Nelson and approved unanimously by the Board.

Mr. Wilder presented an application from Ms. Melanie V. Wyche for ordinary disability retirement. Mr. Tucker made a motion to approve Ms. Wyche for ordinary disability retirement. This motion was seconded by Rev. Crowder and approved unanimously by the Board.

New Business

A. Application for vested service retirement:

Isiah Oliver, Jr., Active No. 29555, July 1, 2009, with no refund due. [Human Services]

B. Applications for early service retirement:

Mark A. Norris, Active No. 22455, October 1, 2009, with no refund due. [\[Utilities\]](#)

Linda Brown, Active No. 22612, October 1, 2009, with no refund due. [\[Human Services\]](#)

Gail J. Taylor, Active No. 24114, October 1, 2009, with no refund due. [\[Human Services\]](#)

Mark A. Boyd, Active No. 24429, October 1, 2009, with no refund due. [\[Fire Rescue Services\]](#)

Sharon G. Laisure, Active No. 30909, November 1, 2009, with no refund due. [\[Human Services\]](#)

C. Applications for normal service retirement:

Harry V. Yeomans, Active No. 17087, October 1, 2009, with refund of \$143.32. [\[Information Technology\]](#)

Martin E. Kresovich, Active No. 17410, October 1, 2009, with no refund. [\[Fire Rescue Services\]](#)

Anthony J. Pennello, Active No. 19250, October 1, 2009, with no refund due. [\[Civic Facilities\]](#)

Thomas H. Pennello, Active No. 19285, October 1, 2009, with no refund due. [\[Civic Facilities\]](#)

Jerry J. Bullock, Active No. 20923, October 1, 2009, with no refund due. [\[Civic Facilities\]](#)

Richard A. Wray, Active No. 21954, October 1, 2009, with no refund due. [\[Utilities\]](#)

James E. Robertson III, Active No. 22990, October 1, 2009, with no refund due. [\[Police\]](#)

Ernest L. Saunders, Active No. 23894, October 1, 2009, with no refund due. [\[Police\]](#)

William T. Old, Jr., Active No. 24359, October 1, 2009, with no refund due. [\[Police\]](#)

Roy L. Cooper, Active No. 26486, December 1, 2009, with no refund due. [\[Finance & Business Services\]](#)

D. Death of retired members:

Robert A. Norfleet, Ret. No. 3378, death occurred August 01, 2009. Spouse elected monthly benefit of \$821.28.

Alfred M. Morris, Jr., Ret. No. 3128, death occurred August 6, 2009. Spouse elected monthly benefit of \$896.66.

Donald G. Gaylord, Sr., Ret. No. 2888, death occurred August 7, 2009. No benefit payable due to no surviving spouse or dependent children.

Scott Wilson, Ret. No. 4536, death occurred August 18, 2009. Spouse elected monthly benefit of \$1,298.00.

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

<u>Name of Member</u>	<u>Active Number</u>
Mara E. Quinn	30717
Anthony Goodall	31218
Samuel V. Russo	31317
Catherine M. Overfield	32080
Jason Trevor Roebuck	32253
Pranati Bluiett	32497
Hope Lewis	32535
Delnisea M. Broadnax	32609
Angela Pagan	31582
Total members - 9	

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

Cheiron (1)	\$ 6,832.57
Chantal Brooks (2)	285.00
Employees' Retirement System (3)	12,016.06
FedEx (4)	20.24
Baker's Crust (5)	160.63
Retirement Payroll (Est. for September 2009)	<u>5,200,000.00</u>
Total	<u>\$ 5,219,314.50</u>

- (1) Monthly retainer for August 2009 & Portability Calculations.
- (2) Medical exam for Melanie Wyche.
- (3) To reimburse payroll account for service charges for FY 2009.
- (4) Information sent to State Street.
- (5) Lunch for Board meeting held on August 12, 2009.

Committee Reports

Administration and Planning:

Mr. Wilder reported that the Committee did not have a meeting. It was noted that Mr. Hill would serve as Chair of the Administration and Planning Committee.

Investment Management:

Mr. Neikirk informed the Board that the Investment Committee met prior to today's Board meeting with Mrs. Jessica Portis participating via conference call. Mr. Neikirk informed the Board that the Chair has signed the investment policy statement and board members are to insert the updated version in their Trustee manuals.

Mrs. Portis reported that the Lehman Brothers Agreement was reviewed by Mrs. Nexsen. Agreement was signed and sent to PIMCO who will forward to Lehman on our behalf. As of today, the custodian is transferring the \$10,449 that the System owes, including accrued interest, to Lehman Brothers to settle that liability.

Jessica reviewed the flash report for August 31, 2009. She reminded the Board that the new asset allocation ranges of 36% US Equity, 24% International Equity and 40% Fixed Income located in the investment policy statement will be effective September 1, 2009. Jessica reported that for the month of August, the Fund was valued at \$745.6 million with a return of 3.13% compared with 2.58% for the Total Policy.

Mrs. Portis reviewed with the Board how well commodities worked as an inflation hedge over the long term. Jessica reported that Commodities, as defined as the DJ-UBS Commodities Index, have performed well overlooking the deflationary environment of the last twelve months. The 10-year return is greater than both equity and bonds. An allocation to commodities serves as a good portfolio diversifier.

Mr. Neikirk raised the issue concerning PIMCO having 30% of the total portfolio under management. After considerable discussion, Mr. Bernert made a motion to limit our exposure to PIMCO to 20%. The reduction would be accomplished through rebalancing or through funding potential alternative asset classes. This is not an issue with PIMCO but just limiting our exposure. This motion was seconded by Ms. Allmond and approved unanimously by the Board.

Mr. Neikirk asked Mrs. Portis to provide her recommendation regarding potential alternative asset classes (commodities, tips, and real estate) to the Board by September 30, so that members will have time to review and have a meaningful discussion at the next meeting on October 14.

Mr. Wilder informed the Board that we need to remove Ms. Alice Kelly and add Mr. Darrell Hill as an authorized check signer. Mr. Nelson made a motion to add the following persons as check signers:

- Stephanie Calliott

- Darrell Hill
- Eric Tucker
- Theodore Wilder

The above motion was seconded by Ms. Allmond and approved unanimously by the Board.

Mr. Wilder informed the Board of the fall meeting of the Association of Municipal Retirement Systems of Virginia to be held on October 25-27, 2009 at the Marriott Courtyard in Alexandria, Virginia for Trustees and Administrators. He asked that Board members RSVP to Mrs. Aaron by September 14, 2009. The Board received a registration package for their information.

Mrs. Williams informed the Board that she will be arranging a meeting with the Board and the City Council. The meeting will take place on a Tuesday at 3:30 pm. in late October or November. Mrs. Williams will circulate some dates through Mr. Wilder for your consideration. This will be an informal meeting.

Mr. Neikirk informed the Board that the next Investment Committee meeting will be October 14, 2009 at 11:00 a.m. The Board meeting to follow at 12:00 noon.

Mr. Hill thanked the Board for their warm greetings and looks forward to working with everyone.

There being no further business, the meeting adjourned at 12:48 p.m.

Chairperson

Executive Director