

Minutes of the Regular Monthly Meeting
Board of Trustees
Employees' Retirement System of the City of Norfolk
June 10, 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 12:00 p.m. on Wednesday, June 10, 2009 with Acting Chairperson, Lawrence A. Bernert, III presiding. The following was the result of the roll call:

<u>Attending the Meeting</u>	<u>Not Attending the Meeting</u>
Y. T. Allmond	S. A. Calliott
L. A. Bernert	K. W. Crowder
A. M. Kelly	C. R. Neikirk
N. E. Nelson	
E. G. Tucker	
M. D. Jones	

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

The minutes for the meeting on May 07, 2009 were approved as printed.

Mr. Wilder presented an application from Mr. Charles E. Goodsell for Ordinary Disability Retirement. Ms. Kelly made a motion to approve Mr. Goodsell's application for Ordinary Disability Retirement. This motion was seconded by Mr. Tucker and approved unanimously by the Board.

Mr. Wilder presented an application from Mr. Dean L. Cowell for Ordinary Disability Retirement. Ms. Allmond made a motion to defer Mr. Cowell's application pending further medical information. This motion was seconded by Mr. Tucker and approved unanimously by the Board.

New Business

A. Applications for vested service retirement:

Catherine Finney, Active No. 17518, October 1, 2006, with no refund due. **[Lake Taylor]**

Terence J. McPhillips, Jr., Active No. 19024, April 1, 2009, with no refund due. **[Human Services]**

Ramona S. Hoyt, Active No. 19897, June 1, 2009, with no refund due. **[Lake Taylor]**

Joyce A. Slade, Active No. 20496, August 1, 2009, with no refund due. **[Lake Taylor]**

Ronnie L. Sutton, Active No. 23668, September 1, 2009, with no refund due. [\[Public Works\]](#)

B. Application for early service retirement:

Roger A. Hungerford, Active No. 26169, September 1, 2009, with no refund due. [\[Police\]](#)

C. Applications for normal service retirement:

Anthony L. Williams, Active No. 21613, July 1, 2009, with no refund due. [\[Fire-Rescue Services\]](#)

Madeline D. Harris, Active No. 23551, July 1, 2009, with no refund due. [\[Police\]](#)

David A. Dubinsky, Active No. 23612, July 1, 2009, with no refund due. [\[Fire-Rescue Services\]](#)

Dollye M. McMillan, Active No. 29904, July 1, 2009, with no refund due. [\[Public Health\]](#)

Donald A. Adams, Active No. 23905, September 1, 2009, with no refund due. [\[Information Technology\]](#)

D. Ordinary death:

Doretha J. Hunter, Active No. 13782, death occurred November 29, 2008. Lump sum payable to nephew, Dominic L. Walton, Sr. in the amount of \$30,505.45.

E. Death of retired members:

William A. Sexton, Jr., Active No. 8669, death occurred April 11, 2009. Spouse elected monthly benefit of \$934.94.

William A. Giddins, Active No. 23464, death occurred April 14, 2009. Spouse elected monthly benefit of \$515.26.

Claude R. Lee, Active No. 15178, death occurred May 4, 2009. Spouse elected monthly benefit of \$913.98.

Charles B. Hunsucker, Active No. 16264, death occurred May 15, 2009. No benefit payable due to no surviving spouse or dependent children.

F. Death of spouses:

Lorraine M. Donnellan, Spouse No. 00841, death occurred May 4, 2009. No benefit payable.

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

<u>Name of Member</u>	<u>Active Number</u>
William L. Pete	30353
Michael A. Jones	30844
Saundra Cox	31275
James A. Carrington	31835
Washington L. Worlds	31947
Selina M. Porter	32059
Latoya Sorrell	32120
Spencer A. George	32280
Sidney L. Carroll, Jr.	32330
George Robles	32385
Charmayne L. Lanier-Eason	32514
Joel E. Snowden	32573
Lisa F. Johnson	32590
Logan Ray Jackson	32602
Kim Wingate	32617
Jennifer Lynn Burtt-Henderson	32620
Enrique R. Sanchez	32660
Cleveland Arrington	32673
Total Members - 18	

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

Chantal Brooks, M.D. (1)	\$ 605.00
State Street Corporation (2)	16,734.59
Cheiron (3)	3,915.61
City of Norfolk (4)	2,773.82
Pension Benefit Information (5)	650.00
Theodore Wilder (6)	22.30
FedEx (7)	51.20
State Street Corporation (8)	11,187.08
Earl L. Wood (9)	3,120.68
Baker's Crust (10)	230.16
Summit Strategies, Inc. (11)	44,573.50
Retirement Payroll (Est. June 2009)	<u>5,150,000.00</u>
Total	\$ 5,233,863.94

(1) Medical exams for the following:

Charles Goodsell	\$325.00
Dean Cowell	<u>280.00</u>
	\$605.00

(2) Custodial service for the month of March 2009.

(3) Monthly retainer for May 2009

(4) Reimbursement for Retirement contribution for Gerald Stokes (**ID 15634**) for the period July 1, 2002 through June 30, 2004.

(5) Processing Retirement file to Social Security file for reported deaths.

(6) Reimbursement for lunch provided for Trustee Education for Rev. Crowder and Mrs. Portis on May 19, 2009.

(7) Information sent to state Street and SSgA.

(8) Custodial service for the month of February 2009.

(9) Reimbursement for military service paid twice by ICMA rollover and by transfer of funds from Bank of America.

(10) Lunch served for Board Meeting on May 7, 2009.

(11) Investment consulting services April 1, 2009 through June 30, 2009.

Committee Reports

Administration and Planning:

Ms. Kelly reported that the Committee did not have a meeting.

Investment Management:

Mr. Bernert reported that the Committee did not have a meeting.

Mrs. Jessica Portis, of Summit Strategies, updated the Board via conference call with the following information:

- The U.S. unemployment rate rose to 9.4% in May, the highest level in 25 years.
- Consumer confidence rose to the highest level since September, increasing to 68.7 from 65.1 in April. The index reached a three-decade low of 55.3 in November.
- The S&P 500 index earned 5.6% for the month, entering positive territory for year-to-date, returning almost 3.0%.
- International growth stocks slightly outperformed value in May by 11 bps, returning 11.9%. Year-to-date, growth continued to trail value by 4.3%.
- Emerging markets was the best performing market segment once again, posting a gain of 17.1% in May. Year-to-date, emerging markets returned an impressive 37.9%.
- Corporate bonds continued to rebound in May, returning 3.9% as spreads narrowed further. Year-to-date, corporates gained 5.4%.

- In May, high yield bonds gained 6.0% as spreads narrowed another 160 bps to 11.5%.
- For the month of May, the market value of the fund was \$687,600,197.
- In terms of our asset allocation, US Equity 42.94% (overweight.94), International Equity 20.45% (overweight2.45%) and fixed Income 36.37% (underweight3.63%)
- Cash holding account is low and over the next few weeks, we will rebalance the portfolio to raise cash for benefit payments.
- For the month of May, the total fund earned 4.92% compared with 4.69% for the policy index.

Mrs. Portis updated the Board on the international transition of LSV, Sanderson, and Pyramis. At the end of April, we received a combined total of \$60,718,824 from LSV, Sanderson, and Pyramis. At the end of May, we were able to fund SSGA's ACWI-ex US international equity index fund with \$66,322,555. The futures exposure helped during this period of transition. The actual portfolio returned 9.23% compared with 10.03% for the target portfolio.

Mrs. Portis further stated that PIMCO is the only active manager left to convert. She indicated that it is still difficult to do trading in the fixed income market. We are still reassessing the market to see if now is the time to liquidate the PIMCO portfolio.

Lastly, Mrs. Portis discussed a presentation from PIMCO on Term Asset-Backed Securities Loan Facility (TALF) a \$200 billion government program (potentially up to \$1 trillion) to finance purchase of AAA asset-backed securities by private investors. PIMCO is in the process of launching a fund to capitalize on the TALF program that the government is currently sponsoring. Summit at the request of the Investment Committee will provide a recommendation as to if this is an opportunity worth pursuing, and will provide findings/recommendation to the Board.

Mr. Wilder informed the Board that the total contribution requirement of \$25,667,556 has been paid by the City for FY 2009. The contribution requirement due for FY 2010 will be \$28,278,984. Mr. Wilder stated that the auditors from KPMG will be at the July meeting to discuss the audit for June 30, 2009. Lastly, Mr. Wilder informed the Board that the invitations to the 2009 Municipal Retirement Plan Fiduciary Symposium are in the mail.

There being no further business, the meeting adjourned at 1:22 p.m.

Chairperson

Executive Director