

Minutes of the Regular Monthly Meeting
Board of Trustees
Employees' Retirement System of the City of Norfolk
May 07, 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 Thursday, May 07, 2009 with Chairperson, Stephanie A. Calliott presiding. The following was the result of the roll call:

Attending the Meeting
S. A. Calliott
K. W. Crowder
C. R. Neikirk
A. M. Kelly
E. G. Tucker
M. D. Jones

Not Attending the Meeting
Y. T. Allmond
L. A. Bernert
N. E. Nelson

The minutes for the meeting on April 08, 2009 were approved as printed.

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

New Business

A. Applications for vested service retirement:

Marvin A. Foreman, Active No. 28221, May 1, 2009, with no refund due. **[Public Health]**

Bernard H. Hamilton, Active No. 17293, June 1, 2009, with no refund due. **[Human Services]**

B. Applications for normal service retirement:

Richard M. Saul, Active No. 20210, June 1, 2009, with no refund due. **[Utilities]**

Rosa S. Hasty, Active No. 21182, June 1, 2009, with no refund due. **[Human Services]**

Ronald Q. Whitehurst, Active No. 23221, June 1, 2009, with no refund due. **[Neighborhood Preservation]**

Beverly C. Hubbard, Active No. 23401, June 1, 2009, with no refund due. **[Police]**

David L. White, Active No. 23686, June 1, 2009, with no refund due. **[Police]**

Fred B. Howes, Active No. 23950, June 1, 2009, with no refund due. **[Recreation, Parks & Open Spaces]**

Thomas L. Cooper, Active No. 25574, June 1, 2009, with no refund due. **[Fire-Rescue Services]**

Edward B. Pretlow, Active No. 18161, July 1, 2009, with no refund due. **[Utilities]**

Retha A. Brehon, Active No. 18629, July 1, 2009, with no refund due. **[Executive/Intergovernmental Programs]**

C. Death of retired members:

Odell Alexander, Ret. No. 03525, death occurred March 2, 2009. Spouse elected monthly benefit of \$396.55.

Wesley C. Wilson, Ret. No. 03968, death occurred March 4, 2009. Spouse elected monthly benefit of \$699.19.

Walter O. Lamm, Ret. No. 03911, death occurred March 15, 2009. No benefit payable due to no surviving spouse or dependent children.

Scott T. Albritton, Ret. No. 01457, death occurred March 23, 2009. Spouse elected monthly benefit of \$818.99.

Thomas E. Lawson, Ret. No. 02718, death occurred March 30, 2009. Spouse elected lump sum payment of \$7,559.02.

Roland F. Allgood, Ret. No. 02487, death occurred April 5, 2009. Spouse elected monthly benefit of \$1,106.14.

Laura W. Priddy, Ret. No. 01817, death occurred April 11, 2009. No benefit payable due to no surviving spouse or dependent children.

William A. Giddins, Ret. No. 05520, death occurred April 14, 2009. No benefit payable due to no surviving spouse or dependent children.

John R. Kois, Ret. No. 03469, death occurred April 18, 2009. No benefit payable due to no surviving spouse or dependent children.

Ruth H. Rustay, Ret. No. 02690, death occurred April 22, 2009. No benefit payable due to no surviving spouse or dependent children.

Clinton J. Calhoun, Ret. No. 03594, death occurred April 24, 2009. No benefit payable due to no surviving spouse or dependent children.

D. Death of spouses:

Ivian M. Freeman, Jr., Spouse No. 00694, death occurred April 14, 2009. No benefit payable.

Eulah M. Roberson, Spouse No. 00287, death occurred April 15, 2009. No benefit payable.

Eloise B. Derring, Spouse No. 00170, death occurred April 21, 2009. No benefit payable.

Jessie I. Hensley, Spouse No. 00683, death occurred April 24, 2009. No benefit payable.

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

<u>Name of Member</u>	<u>Active Number</u>
Jerry L. Sharp	31284
Michael G. Payton	31439
Tyler Blake Kerr	31766
Stephen Lay	31948
Rasheedah T. Mahdi-mensah	31973
Julieann Lewis	32290
Susan D. Hodges	32373
Guy A. Gordon	32565
Frances A. Vazquez	32575
Wayne Q. Bareford	32608
Regina Ector-Fuentes	32610
Jasmin J. Rosario	32615
Total – 12 Members	

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

FedEx (1)	\$ 38.96
Myrella Aaron (2)	14.70
Cheiron (3)	4,523.11
Selden Arcade Gift Shop (4)	339.86
NAPPA (5)	850.00
Office Max (6)	699.95
State Street (7)	14,264.74
AMRS-VA (8)	375.00
Baker's Crust (9)	176.68
Myrella Aaron (10)	10.00
Retirement Payroll (Est. May 2009)	<u>5,100,000.00</u>
Total	\$ 5,121,293.00

- (1) Information sent to State Street
- (2) Bags & tissue paper for AMRS-VA Conference
- (3) Monthly retainer for April 2009
- (4) 16 Executive Pad folios for Spring Meeting of the AMRS-VA
- (5) Registration for Mary L.G. Nexsen to attend the NAPPA Conference
- (6) HP Toner
- (7) Custodial service for the month of January 2009
- (8) Registration to attend AMRS-VA for Ted Wilder, Ladina Stevens & Myrella Aaron
- (9) Lunch for April 2009 Board Meeting
- (10) Reimbursement for Greek Salad for Chair of Retirement Board

Committee Reports

Administration and Planning:

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

Investment Management:

Mr. Neikirk updated the Board with the following information:

- The international transition is progressing. LSV, Sanderson, and Pyramis were notified of termination and requested to liquidate all assets at the end of April. Cash has been received from LSV and Pyramis, that resides in the transition account. Cash is expected from Sanderson today. We have maintained appropriate international equity exposure during the transition of all three managers with EAFE futures. The futures exposure will be maintained until we can convert the liquidated cash at SSGA to SSGA's ACWI-ex US international equity index fund on May 20.

- The asset balance has improved to \$641 million, up \$30 million from our last report. The markets have done better - even better through May.
- The asset allocation is within the guidelines of 60/40 even within the sub breakdown of equities.

Mr. Neikirk informed the Board that the Investment Committee will have a meeting next month to continue discussions of asset allocation, and Mrs. Portis may have some additional information on alternatives. Mr. Neikirk distributed an article on "Committee Interaction" for the Board's information. The article is along the lines of what this Board is doing as it relates to indexing. The article states that every committee should start with a diversified basket of low-cost index funds and build around that strategy. Any deviation from that strategy should require extraordinarily compelling evidence.

Ms. Calliott informed the Board that there was a list of Government Program acronyms distributed for their information. Also distributed is the first quarter report from Summit Strategies Group.

Mr. Wilder informed the Board that the City of Portsmouth is hosting a Retirement Plan Symposium on June 25. The symposium is free and will focus on the following disciplines:

- ❖ Law and Regs
- ❖ Accounting
- ❖ Operations
- ❖ Investment Practices

The Board expressed an interest in attending the retirement symposium.

Mr. Wilder notified the Board of the Fall Meeting of the Association of Municipal Retirement Systems of VA to be held in the Alexandria/Fairfax County area of Northern Virginia. The meeting is scheduled to begin on Sunday, October 25 at about 2:00 p.m. and will last through lunch on Monday, October 26 at which time the Trustees would be dismissed. The estimated cost is \$174 per night plus applicable taxes for lodging and \$200 for registration fee, which includes all meals. The Board expressed an interest in attending.

Ms. Calliott informed the Board that the next item, a discussion on defined benefit (DB) plans compared with defined contribution (DC) plans, was for general purposes only. She reminded the Board that benefit changes for city employees were not at the discretion of this Board, but determined by City Council. The discussion centered on the overall financial obligation that each plan would have and ensure the City's administrative staff (through Regina and Marcus) brings it to the attention of the City Council. The responsibility of the Board is to keep the City and its staff informed of the fund's value and allocation and to be good stewards of the Fund. It is then up to the City Council to determine benefits for their employees.

Ms. Calliott went on to say the expense of any business or entity offering a DB plan is often prohibitive. Participants can view the change from a DB plan to a DC plan as unpopular. The Board's responsibility is to make sure the City is aware of the excess or shortfall (of which there is one) in funds to support the liability (of the annual payment). Many private companies froze their DB plan and started DC plans for future benefits.

Mr. Jones stated that City Council is very much interested in having a discussion on defined benefit plan versus a defined contribution plan as well as a discussion on OPEB. The City Council would like to have a discussion with the Retirement Board in the June timeframe to discuss these issues.

Mrs. Calliott asked Mr. Wilder to have Mrs. Aaron contact Board members for their availability for June 11 or 12th for the next Board Meeting.

There being no further business, the meeting adjourned at 12:36 p.m.

Chairperson

Executive Director