

Minutes of the Regular Monthly Meeting
Board of Trustees
Employees' Retirement System of the City of Norfolk
April 14, 2010

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 12:15 p.m. on Wednesday, April 14, with Vice-Chair, Chris Neikirk presiding. The following was the result of the roll call:

Attending the Meeting

C. R. Neikirk
Y. T. Allmond
S. Felton
N. E. Nelson
E. G. Tucker
K. W. Crowder

Not Attending the Meeting

L. A. Bernert
S. A. Calliott
R.V.K. Williams

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

The minutes for the meeting on March 10, 2010 were approved as printed.

Ms. Sara Jones was invited to the Board meeting today. She had requested to be scheduled to appeal her ordinary disability retirement to accidental disability retirement. Ms. Jones did not appear.

Kevin Woodrich of Cheiron participated in the meeting by conference call to discuss the Projected City Contributions in a Low Inflation Environment information dated April 9, 2010. At the Board's request, Cheiron performed a study that reviewed our liability under different inflation scenarios. The attachment dated April 9, 2010 revealed the impact of City pension contributions during a prolonged period of low inflation and low earnings.

The City's contribution rate is projected to rise as the full impact of the investment losses sustained through June 30, 2009 are fully realized in the valuation process over the next three years. So while a sustained period of low inflation is not likely to have an adverse impact on the plan's contributions, the required amounts will increase unless there is a full correction to the losses sustained during the recent stock market tumble.

Ms. Nexsen requested that the Board approve her attendance at the National Association of Public Pension Attorneys' Annual Legal Education Conference in Asheville, North Carolina. The conference runs from June 22-25, 2010. The Board approved attendance to the conference and cost.

New Business

A. Applications for vested service retirement:

Raymond E. Blair, Jr., Active No. 18733, February 1, 2010, with no refund due. [\[Water Utility Fund\]](#)

Evora B. Hunt, Active No. 24687, April 1, 2010, with no refund due. [\[Human Services\]](#)

Michael J. Barry, Active No. 15142, May 1, 2010, with refund of \$756.59. [\[Public Works\]](#)

Roy Cuffee, Jr., Active No. 23431, May 1, 2010, with no refund due. [\[Neighborhood & Leisure Services\]](#)

Eugene J. Denardi, Active No. 26630, May 1, 2010, with no refund due. [\[Parking Fund\]](#)

B. Applications for normal service retirement:

Cheryl A. Drewery, Active No. 20349, May 1, 2010, with no refund due. [\[Human Services\]](#)

Steven M. Green, Active No. 24002, May 1, 2010, with no refund due. [\[Fire & Rescue Services\]](#)

Jeffrey W. Spainhour, Active No. 24439, May 1, 2010, with no refund due. [\[Fire & Rescue Services\]](#)

Russell A. Gray, Active No. 32700, June 1, 2010, with no refund due. [\[Finance & Business Services\]](#)

Joseph Riplinger, Active No. 15735, July 1, 2010, with Refund of \$2,127.29. [\[Police Department\]](#)

C. Death of retired members:

Alma M. Harrison, Ret. No. 3083, death occurred February 3, 2010. No benefit payable due to no surviving spouse or dependent children.

Naomi Hale, Ret. No. 9847, death occurred February 5, 2010. No benefit payable due to no surviving spouse or dependent children.

Doris B.D. Tatman, Ret. No. 2448, death occurred February 6, 2010.
No benefit payable due to no surviving spouse or dependent children.

James L. Grubbs, Sr., Ret. No. 3661, death occurred February 7, 2010.
No benefit payable due to no surviving spouse or dependent children.

Elmira C. Boyce, Ret. No. 4622, death occurred February 9, 2010.
No benefit payable due to no surviving spouse or dependent children.

William R. Morris, Ret. No. 3447, death occurred March 10, 2010.
Spouse elected lump sum payment of \$12,182.33.

Charles W. Harshaw, Ret. No. 2972, death occurred March 15, 2010.
Spouse elected monthly benefit of \$760.53.

D. Death of spouse:

Celeste B. Cameron, Spouse No. 00617, death occurred February 10, 2010. No benefit payable.

Veatrice A. Dills, Spouse No. 00146, death occurred February 21, 2010. No benefit payable.

Howard M. Conrad, Spouse No. 00729, death occurred March 10, 2010. No benefit payable.

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

<u>Name of Member</u>	<u>Active Number</u>
Michael J. Lapinski	27040
David Clifton Parks	30378
Ethan J. Love	31115
Antonio M. Spivey	31203
Luis D. Padua	31322
Jason M. Richards	31434
Janae J. Voorhees	31509
Johnny N. Soza	31632
Neil Duffy	31640
Edgardo Brito	31838
Leonard T.A. Thompson	31925
Leon M. Nelms	32233
Kathleen J. Galvin	32298
Jonique Nicole Leigh	32351
Jeffery L. Grimes	32370
Amy Jean Williamson	32409

Karen Danielle Josey	32499
Loren Shawn Wright	32618
Moscow Spencer	32638
Cassi A. Anthony	32795
Yusun Y. Beck	32797
James R. Bragg	32800
Orion M. Hamby	32810
Charles M. Jordan	32816
Eric J. Peterson	32828
Wayne E. Riddell	32829
Alvin J. Thibodeaux, III	32834
Bailey E. Townsend	32836
Eric Ryan Belger	32846
Jennifer Lyn Shirah	32860
Donnie Alvin Smith	32861
Jean Pierre Collin-Ligon	32897

Total members - 32

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

State Street Corporation (1)	\$ 18,822.67
AMRS-VA (2)	200.00
Cheiron (3)	4,409.07
The Virginian Pilot (4)	145.00
FedEx (5)	44.19
Baker's Crust (6)	185.78
Myrella Aaron (7)	4.20
GFOA (8)	145.00
Summit Strategies (9)	44,573.50
State Street Corporation (10)	10,033.46
Percy Twine (11)	1,079.36
Retirement Payroll (Est. for April 2010)	<u>5,300,000.00</u>
Total	<u>\$ 5,379,642.23</u>

(1) Custody service for:

January 2010	\$ 8,789.15
February 2010	<u>10,033.52</u>
	\$18,822.67

(2) Registration for Ted Wilder to attend the Spring Meeting of the Association of Municipal Retirement Systems of VA on April 19-20, 2010 in Alexandria, VA

(3) Retainer for February 2010

(4) Renewal subscription March 31, 2010 through March 29, 2011

(5) Information sent to State Street & Richmond

(6) Lunch for Board Meeting March 10, 2010

(7) Reimbursement for tablecloths for Board meetings

- (8) Balance due to GFOA for 2009 CAFR Review
- (9) Investment consulting services January 1, 2010 to March 31, 2010
- (10) Custody service for December 2009
- (11) Reimbursement for maintenance contract on Sealer Machine
PeakTECH TECPAR

Committee Reports

Administration and Planning:

There was no meeting.

Investment Management:

Mr. Neikirk informed the Board that the Investment Committee did meet today. Jessica Portis with Summit participated by way of conference call during the Investment Committee Meeting.

Jessica Portis reported that the TIPS account is funded with \$11 million. There will be another \$14 million added that will be transferred from PIMCO. The asset allocation is close to being in balance. It is about a percent high on equities and about two percent low on fixed income. The total assets of the plan as of March 31, 2010 were \$800 million with a ballpark funding rate of 78%. The fund performance was about 30 basis points better than our benchmarks for the quarter. This was due to a slight over allocation of equities overall. PIMCO continues to outperform the benchmark.

Jessica presented a Real Estate Asset Education as requested. The categories covered:

- Public Real Estate Equity: Real Estate Investment Trusts (REITs)
- Public Real Estate Debt: Commercial Mortgage Back Securities (CMBS)
- Private Real Estate
- Private Non-Core

The Trustees agreed collectively to narrow the focus for the next meeting to public real estate and private core real estate. At the next meeting, Summit will provide a list of investment managers that they would recommend and provide more education.

The Trustees at the March meeting approved Ted Wilder's attendance at the annual Association of Municipal Retirement Systems Spring Conference from April 19-20, 2010 hosted in Arlington, Virginia.

Mr. Wilder provided the Trustees an update on the vacant Management Analyst III position. The interview process is complete and Human Resources are waiting for the City Manager to sign off on the requisition. Following the City Manager's approval, Mr. Wilder would like to offer the position to Mrs. Sheryl Potter-Griggs. By the next meeting, we hope to have the position filled and to provide Trustees with more information.

Mr. Neikirk reminded the Board that the next meeting would be Wednesday, May 12, 2010 at 12:00 noon. Ms. Calliott will not be able to attend, and Chris Neikirk will chair the meeting. An Investment Committee meeting is also planned for 11:00 a.m.

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

Chairperson

Executive Director