

Minutes of the Regular Monthly Meeting
Board of Trustees
Employees' Retirement System of the City of Norfolk
February 10, 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, February 10, 2010, with Chairperson, Stephanie A. Calliott presiding. The following was the result of the roll call:

Attending the Meeting

S. A. Calliott
Y. T. Allmond
L. A. Bernert
S. Felton
C. R. Neikirk
N. E. Nelson
E. G. Tucker

Not Attending the Meeting

K. W. Crowder
R. V. K. Williams

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

The minutes for the meeting on January 13, 2010 were approved as printed.

Mr. Wilder presented a request from Ms. Sara Jones to convert her ordinary disability retirement to accidental disability retirement. The Board considered Ms. Jones' 2001 breast cancer diagnosis, its reoccurrence in 2005, and the myriad surgeries, therapies and complications from that cancer which resulted in her incapacity to continue working as a firefighter. After discussion, Mr. Bernert made a motion to deny Ms. Sara Jones' request to convert her disability retirement status from ordinary to accidental due to her incapacity for duty as a firefighter was not the natural and proximate result of her fall in September 2007. This motion was seconded by Mr. Neikirk and approved by a vote of five (5) to deny and two (2) abstentions, Ms. Allmond and Mr. Nelson.

Mr. Wilder presented an application from Mr. Thomas J. Garcia for accidental disability retirement. Mr. Neikirk made a motion to approve Mr. Garcia for accidental disability retirement based on the medical report from Dr. David Sack and to have Mr. Garcia reexamined in two years. This motion was seconded by Mr. Tucker and approved unanimously by the Board.

New Business

A. Applications for vested service retirement:

Mary S. White, Active No. 21930, February 1, 2010,
with no refund due. [[Lake Taylor City Hospital](#)]

Trudi C. Linthicum, Active No. 25717, February 1, 2010, with no refund due. [\[Utilities\]](#)

B. Applications for normal service retirement:

Suzanne B. Puryear, Active No. 26548, January 1, 2010, with no refund due. [\[Human Services\]](#)

George E. Votava, III, Active No. 21145, March 1, 2010, with no refund due. [\[Police\]](#)

Robert K. Mislán, Active No. 22129, March 1, 2010, with no refund due. [\[Commissioner of the Revenue\]](#)

Lynda Daniels-Jones, Active No. 27338, March 1, 2010, with no refund due. [\[Human Services\]](#)

Lance Hendrix, Active No. 24915, April 1, 2010, with no refund due. [\[Civic Facilities\]](#)

C. Death of retired members:

Carl V. Moulton, Ret. No. 2118, death occurred December 2, 2009. No benefit payable due to no surviving spouse or dependent children.

Alice R.L. Mills, Ret. No. 3240, death occurred December 7, 2009. No benefit payable due to no surviving spouse or dependent children.

Patricia Y. Perry, Ret. No. 5916, death occurred December 15, 2009. No benefit payable due to no surviving spouse or dependent children.

Beulah F. Boyd, Ret. No. 1148, death occurred December 16, 2009. No benefit payable due to no surviving spouse or dependent children.

Sadie L. Davis, Ret. No. 2596, death occurred December 18, 2009. No benefit payable due to no surviving spouse or dependent children.

Joseph L. Mansfield, Ret. No. 2922, death occurred December 18, 2009. No benefit payable due to no surviving spouse or dependent children.

Joseph J. Pupo, Ret. No. 2450, death occurred January 4, 2010. Spouse elected monthly benefit of \$899.43.

George D. Nichols, Ret. No. 2684, death occurred January 5, 2010. No benefit payable due to no surviving spouse or dependent children.

Anthony S. DeJames, Ret. No. 2862, death occurred January 8, 2010. No benefit payable due to no surviving spouse or dependent children.

Dofas L. Charles, Ret. No. 4519, death occurred January 22, 2010. Spouse elected monthly benefit of \$471.17.

D. Death of spouses:

Beulah F. Boyd, Spouse No. 00282, death occurred December 16, 2009. No benefit payable.

Deloris L. Bagley, Spouse No. 00485, death occurred January 1, 2010. No benefit payable.

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

State Street Corporation (1)	\$	12,887.61
Secretary of the Commonwealth (2)		10.00
VA Department of Taxation (3)		3.82
Cheiron (4)		5,302.32
FedEx (5)		71.89
Baker's Crust (6)		231.69
Retirement Payroll (Est. for February 2010)		<u>5,300,000.00</u>
Total	\$	<u>5,318,507.33</u>

- (1) Custody service for November 2009
- (2) Document notarized and apostilled for State Street
- (3) Balance of State Tax due for December 31, 2009
- (4) Retainer for January 2010
- (5) Information sent to State Street
- (6) Lunch for January 13, 2010 Board Meeting

Committee Reports

Administration and Planning:

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

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. The

Committee discussed TIPS Alternatives for the Fund to consider. Mr. Neikirk made a motion on behalf of the Committee to use State Street at four basis points for a five per cent allocation to TIPS to come from any over allocation versus our target to the domestic and international equities and the remainder from PIMCO and to fund this investment over a calendar quarter. This motion was seconded by Mr. Nelson and approved unanimously by the Board.

Mr. Neikirk reported that a fee comparison report was discussed when the fund was primarily actively managed versus primarily passively managed and that there is a \$2 million savings in annualized fees. Mrs. Portis will provide supplemental information regarding fees to account for PIMCO.

Mr. Neikirk stated that the portfolio is within its asset allocation boundaries. He reported that for the month of January 2010 the Fund was valued at \$763 million.

Mr. Neikirk informed the Board that the investment review for the 4th Quarter 2009 was available for the Board to read.

Mr. Neikirk informed the Board that the Committee is working to schedule PIMCO for a visit. Mr. Neikirk also stated that he received from CORTEX a “Fiduciary Benchmarking” report and has forwarded it to the Administration and Planning Committee for action.

Mr. Wilder informed the Board that Cheiron would provide a report to project the City’s anticipated funding situation, if there were a prolonged period of low inflation and low earnings, for a fee of \$2,500.

Mr. Wilder distributed to the Board the actuarial valuation as of June 30, 2009 for information and file. Mr. Neikirk made a motion to certify to the City of Norfolk the contribution rates of 15.47% for general employees and 28.15% for police, fire and paramedics. This motion was seconded by Ms. Allmond and approved unanimously by the Board.

Ms. Calliott reminded the Board that the next meeting would be Wednesday, March 10, 2010 at 12:00 noon.

There being no further business, the meeting adjourned at 1:00 p.m.

Chairperson

Executive Director