

Minutes of the Regular Monthly Meeting
Board of Trustees
Employees' Retirement System of the City of Norfolk
January 13, 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 11:00 a.m. on Wednesday, January 13, 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
K. W. Crowder
S. Felton
C. R. Neikirk
N. E. Nelson
E. G. Tucker
R. V. K. Williams

Not Attending the Meeting

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

The minutes for the meeting on December 09, 2009 were approved as printed.

Mrs. Fiona E. Liston and Mr. Stephen T. McElhaney, actuaries with Cheiron, presented the results of the 2009 Actuarial Valuation. Mrs. Liston stated Cheiron has performed the actuarial valuation of the Employees' Retirement System for the City of Norfolk as of June 30, 2009. The purpose of the valuation is to:

1. *Measure and disclose, as of the valuation date, the financial condition of the System*
2. *Indicate trends in the financial progress of the System*
3. *Determine the contribution rate to be paid by the City for Fiscal Year 2011; and*
4. *Provide specific information and documentation required by the Government Accounting Standards Board (GASB)*

Mrs. Liston explained that an actuarial valuation establishes and analyzes System assets and liabilities on a consistent basis and traces the progress of both from one year to the next. It includes measurement of the System's investment performance as well as an analysis of actuarial liability, gains and losses. The Actuarial Accrued Liability at June 30, 2009 was \$1,030 million and the Actuarial Value of Assets at June 30, 2009 was \$886 million, equaling to an Unfunded Actuarial Liability at June 30, 2009 of \$144 million.

As of June 30, 2009, the System's accrued liability was 86% funded based on the actuarial value of assets. The results of this valuation determine the contribution rate for the fiscal year

beginning July 1, 2010. The contribution rate for General employees is determined to be 15.47%. The contribution rate for Firefighters and Police is determined to be 28.15%. The composite rate is equal to 19.98% of annual payroll. Mrs. Liston discussed the anticipated funding situation if there is a prolonged period of low inflation and low earnings. After considerable discussion, the Board asked Mrs. Liston to provide a cost estimate for performing a projection of the City's anticipated funding situation if there is a prolonged period of low inflation and low earnings.

New Business

A. Applications for vested service retirement:

Lenard T. Myers, Active No. 18101, June 1, 2009, with no refund due. [\[Civic Facilities\]](#)

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

Gail F. Heath, Active No. 17450, February 1, 2010, with no refund due. [\[Human Services\]](#)

B. Application for early service retirement:

Craig M. Davis, Active No. 24821, February 1, 2010, with no refund due. [\[Fire-Rescue Services\]](#)

C. Applications for normal service retirement:

Jayward Hanna, Active No. 21486, February 1, 2010, with no refund due. [\[Police\]](#)

Janice B. Grubbs, Active No. 20551, March 1, 2010, with no refund due. [\[Human Services\]](#)

Anthony G. Rodriguez, Active No. 26332, March 1, 2010, with no refund due. [\[EOC/911\]](#)

D. Death of retired members:

Garrett R. Martin, Jr., Ret. No. 2903, death occurred June 3, 2008. Spouse elected the lump sum payment of \$5,851.69.

William S. Ansell, Ret. No. 2928, death occurred August 14, 2009. Spouse elected monthly benefit of \$1,185.03.

Earl Foote, Ret. No. 1820, death occurred November 12, 2009. Spouse elected the lump sum payment of \$3,945.03.

Edward M. Brockdorff, Ret. No. 4114, death occurred November 17, 2009. No benefit payable due to no surviving spouse or dependent children.

Merritt J. Horne, Ret. No. 3682, death occurred November 19, 2009. No benefit payable due to no surviving spouse or dependent children.

Emma R. Blanchard, Ret. No. 2657, death occurred November 27, 2009. No benefit payable due to no surviving spouse or dependent children.

Rolland T. Johnson, Ret. No. 2057, death occurred December 1, 2009. Spouse elected monthly benefit of \$294.61.

E. Death of spouses:

Gloria M. Wilcox, Spouse No. 00803, death occurred November 9, 2009. No benefit payable.

Mary A. Madison, Spouse No. 00934, death occurred November 18, 2009. No benefit payable.

Marian V. Pearson, Spouse No. 00519, death occurred November 20, 2009. No benefit payable.

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

<u>Name of Member</u>	<u>Active Number</u>
Jessica C. Bayer	31764
Andrea C. Petras	31767
Jeffrey T. Trotter	31885
Angelina Maria Robinson	32655
Marriot O. Loret	32706
Nannette M. Crogan	32759
James Wagner	32760
Terreque N. Paige	32767
Timothy W. Scott	32786

Total Members - 9

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

State Street Corporation (1)	\$ 19,908.48
Copy Connection (2)	563.40
GFOA (3)	290.00
Cheiron (4)	6,211.32
Cheiron (5)	4,270.07
Summit Strategies (6)	44,573.50
Baker's Crust (7)	185.55
Retirement Payroll (Est. for January 2010)	<u>5,200,000.00</u>
Total	<u>\$ 5,276,002.32</u>

(1) Custody service for the following months:
September 2009 \$11,140.25
October 2009 8,768.23
\$19,908.48

(2) Printing of 60 Comprehensive Annual Financial Reports for June 30, 2009

(3) Fee for the GFOA CAFR 2009 Application

(4) Retainer for December 2009

(5) Retainer for November 2009

(6) Investment Consulting Services for October 1, 2009 to December 31, 2009

(7) Lunch for December 9, 2009 Board Meeting

Committee Reports

Administration and Planning:

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

Investment Management:

Mr. Neikirk reported that the Committee did not have a meeting. The next meeting will be February 10, 2010 at 11:00 am. Mrs. Portis will discuss a report regarding the fees of the plan from where we were to where we are now, as well as a recommendation on TIPS

Ms. Calliott stated that the portfolio is within its asset allocation boundaries. She reported that for the month of December 2009 the Fund was valued at \$782 million. For the FYTD, the Fund earned 16.60%. This is one percent better than the policy benchmark. Ms. Calliott informed the Board that the economic outlook from Summit is available for their information.

Mr. Wilder informed the Board that he received medical information from Ms. Sara Jones requesting that her ordinary disability retirement be changed to an accidental disability retirement. Mr. Wilder stated that when the medical information is available it will be presented for Board consideration.

Ms. Calliott inquired of Mrs. Williams if there is any information on the meeting with the Board and the City Council. Mrs. Williams stated that the administration wanted to schedule the joint meeting for January; however, they were overtaken by other events. Mrs. Williams stated that as soon as a date can be arranged, she will give the Board a month to two months notice for their consideration.

Ms. Calliott reminded the Board that the next meeting will be Wednesday, February 10, 2010. The Investment Committee meeting at 11:00 am and the Board meeting to follow at 12:00 noon.

Ms. Calliott welcomed Ms. Shenette Felton who was representing Mr. Darrell Hill. Ms. Felton is the Assistant Director/City Controller for Finance and Business Services.

There being no further business, the meeting adjourned at 12:28 p.m.

Chairperson

Executive Director