

Minutes of the Regular Monthly Meeting
Board of Trustees
Employees' Retirement System of the City of Norfolk
August 8, 2012

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 12:08 pm on Wednesday, August 08, 2012 with Chairperson, Stephanie A. Calliott presiding. The following was the result of the roll call:

<u>Attending the Meeting</u>	<u>Absent</u>
S.A. Calliott	C.R. Neikirk
K.W. Crowder	Y.T. Allmond
S. Felton	L.A. Bernert
D.V. Hill	
N. E. Nelson	
E.G. Tucker	

Sheryl Potter-Griggs, Acting Executive Director, Mary L.G. Nexsen, Deputy City Attorney, Theodore Wilder, Business Analyst, and Kevin Fink, Interning with the City Attorney's Office, also attended the meeting.

Ms. Calliott asked the Board for a moment to remember our colleague and co-worker, Myrella Aaron, a long-term employee and a great friend to this Board, who passed on July 16, 2012.

The minutes for the meeting on July 11, 2012 were approved.

Mrs. Potter-Griggs informed the Board that copies of the RFP for Actuarial Services used in 2005 were available. Ms. Calliott asked that the copies be distributed to the Administration and Planning Committee to begin the process of requesting proposals from qualified firms to provide actuary and consulting services.

New Business

A. Applications for vested service retirement:

Lynda C. Morales, Active No. 24169, August 1, 2012 with no refund due.
[Police]

Volpe Milton Boykin, Active No. 20107, September 1, 2012 with no refund due.
[Police]

B. Application for early service retirement:

Michele R. Donaldson, Active No. 30791, September 1, 2012 with no refund due.
[Human Services]

Ronald J. Skasko, Active No. 28478, September 1, 2012 with no refund due.
[Human Services]

William D. Curtis, Active No. 23872, October 1, 2012 with no refund due.

C. Applications for normal service retirement:

James Andreano, Active No. 25001, September 1, 2012 with no refund due.
[Police]

Christopher S. Davis, Active No. 26103, September 1, 2012 with no refund due.
[Fire Rescue Services]

Lenwood Haliday, Sr., Active No. 19989, September 1, 2012 with no refund due.
[General Services]

Richard J. Henn, Active No. 23773, September 1, 2012 with no refund due.
[Development]

Douglas L. Minter, Active No. 31412, September 1, 2012 with no refund due.
[General Services]

Marian C. Pederson, Active No. 24780, September 1, 2012 with no refund due.
[Police]

D. Ordinary death:

William D. Braswell, Active No. 21729, death occurred January 1, 1994. Beneficiary elected monthly benefit of \$820.41.

E. Death of retired members:

Calais Z. Doughty, Ret. No. 1941, death occurred June 13, 2012. No benefit payable due to no surviving spouse or dependent children.

William R. Mansell, Ret. No. 2393, death occurred June 21, 2012. No benefit payable due to no surviving spouse or dependent children.

George H. Newton, Ret. No. 3537, death occurred June 27, 2012. No benefit payable due to no surviving spouse or dependent children.

Cherolee E. Ross, Ret. No. 4407, death occurred June 28, 2012. No benefit payable due to no surviving spouse or dependent children.

Roy L. Anthony, Ret. No. 4482, death occurred July 8, 2012. No benefit payable due to no surviving spouse or dependent children.

Thomas A. Grimes, Ret. No. 4801, death occurred July 9, 2012. Spouse elected monthly benefit of \$1,382.54.

Myrella P. Aaron, Ret. No. 6383, death occurred July 16, 2012. Spouse elected monthly benefit of \$1,701.23.

Robert L. Barnes, Ret. No. 1609, death occurred July 23, 2012. Spouse elected monthly benefit of \$622.83.

F. Death of spouse:

Kazuko I. Godfrey, Spouse. No. 1007, death occurred June 2, 2012. No benefit payable.

Beatrice P. Byrd, Spouse. No. 1058, death occurred June 17, 2012. No benefit payable.

Catherine E. Harrison, Spouse. No. 965, death occurred June 29, 2012. No benefit payable.

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

<u>Name of Member</u>	<u>Active Number</u>
Lawrence K. Urquhart	33479
Tia Barnard	33529
Gloria R. Polite	33714
Luiz D. Garcia	31429
Carey Daniels	32219
Marquia C A. Eley	32339
Robert Vincent	32692
Jose A. Torres	32738
Logan Kiernan	32905
Sylvia B. Halla	33008
Anna M. Bennett	33097
Megan M. Taylor	33262
Total Members – 12	

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

Cheiron (1)	6,517.94
Retirement Payroll (Payroll est. for August, 2012)	<u>6,100,000.00</u>
Total	<u><u>\$ 6,106,517.94</u></u>

(1) Retainer Services - June 2012 / Portability Calculations

Committee Reports

Administration and Planning:

Ms. Felton reported that she had spoken with Fiona Liston, of Cheiron, regarding the list of decisions Cheiron will need before preparing the 2012 valuation results. Ms. Felton stated that questions four (4) and five (5) would be answered through the experience study. Question one (1) asked for confirmation that the Board had changed the interest rate assumption to 7.0%. Ms. Felton confirmed that with Mrs. Liston. Ms. Felton informed the Board that questions two (2) inflation assumption and three (3) COLA increases required board input. After discussion, the Board decided that inflation and COLA assumptions should be addressed by the City's

administration and asked Ms. Felton to follow up with them. Ms. Felton also stated that Mrs. Liston felt that doing the experience study would not interfere with the 2012 valuation. Mrs. Liston believes that they can get everything done in time to have the disclosures finalized by late October/early November with the caveat of the Board's availability to finalize the assumptions. They have already begun the experience study. Along with the experience study, the Board asked that Mrs. Liston consider: alternatives to the current amortization methods and period; to demonstrate the financial impact such changes would have on the City's contribution and the health of the System; to review the current smoothing method used in determining the actuarial value of assets; and to show the impact had a different method been in place through the downturn in 2008.

Investment Management:

Ms. Calliott reported that the Committee did not have a meeting. She reported that the pension fund assets as of July 31, 2012 were \$848 million. This would bring the funded status to approximately 80%. The US equity allocation was over the target allocation and the International Equity was under the target allocation. The current year to date total fund composite performance was 7.1% versus the total fund policy of 6.5%, an excess of 0.6%. This excess return is due to the fixed income excess return of 2%. Ms. Calliott highlighted page 3 of Summit Strategies investment review for the quarter ended June 30, 2012. She pointed out that rebalancing occurred where cash was taken from PIMCO for benefit payments. In addition, asset allocation changes funded the real estate allocation of 5%. Next Ms. Calliott highlighted page 6, the Callen chart. This chart reflects the performance of each asset class during a calendar year, often highlighting one asset class as the best performer one year and the worst the next. A strong statement for diversification. Ms. Calliott urged the Board to review the PIMCO Commentary and Summit Strategies July Economy.

The next Retirement Board meeting is scheduled for September 12, 2012 at 12:00 noon. The Investment Committee Chair would be asked if there would be an 11:00 am investment committee meeting before the regular Board meeting.

There being no further business, the meeting adjourned at 12:32 p.m.

Chairperson

Executive Director