

Minutes of the Regular Monthly Meeting
Board of Trustees
Employees' Retirement System of the City of Norfolk
February 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 12:00 noon on Wednesday, February 8, 2012 with Vice Chair, Christopher R. Neikirk presiding. The following was the result of the roll call:

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

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

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

Mrs. Jessica Portis discussed the 4th Quarter 2011 Performance Review. Total fund market value at December 31, 2011 was \$810.7 million due to strong equity market environment. Various supplementary materials were provided to the Trustees. Mrs. Portis reported to the Trustees that she has a new role with Summit as Director of Consulting. This will not change the relationship with the Employees' Retirement System's Pension as she will continue to be the lead consultant.

Mrs. Portis also reviewed the Flash Report as of January 31, 2012. There was a continued stronger release of economic data with unemployment down to 8.3%, inflation remains in check, 4th Quarter GDP first reading has come in at 2.8%. This was a really good month for equities. The S&P was up 4½%, small caps stocks up a little over 7%, international up 5%, and emerging markets up 11%. The market value of the portfolio was \$841.7 million with a 79.1% funded status.

In real estate, we have a preliminary amount from JPMorgan with 0.22% return for the month. We have not received a statement from UBS but when the statements come in the flash report will be updated.

Mrs. Portis said at some point in the future she would like to have a discussion with the Investment Committee on other ways we might be able to diversify the portfolio that could be accomplished in an easy fashion.

New Business

A. Recommendation by the City Manager that the approved February 1, 2012 retirement of Assistant City Manager, Stanley A. Stein, be extended to March 1, 2012.

The Board approved Stanley A. Stein's extension to March 1, 2012.

B. Applications for vested service retirement:

Francine Hamilton, Active No. 27463, February 1, 2012 with no refund due.
[Water Utility]

Herman K. Whitmire, Active No. 26949, February 1, 2012 with no refund due.
[Alternative]

C. Application for early service retirement:

Jeffrey B. Logan, Active No. 26067, March 1, 2012 with no refund due.
[Fire Rescue Services]

Clarence Taylor, Active No. 24801, April 1, 2012 with no refund due.
[Wastewater Utility]

D. Applications for normal service retirement:

Gary S. Coggin, Active No. 22598, March 1, 2012 with no refund due.
[Fire Rescue Services]

Richard E. Eppley, Active No. 28821, March 1, 2012 with no refund due.
[Public Works]

David A. Goode, Active No. 28382, March 1, 2012 with no refund due.
[Human Services]

Vernon C. Hines, Sr., Active No. 22673, March 1, 2012 with no refund due.
[Recreation, Parks and Open Space]

Woodrow E. Foreman, Active No. 22927, April 1, 2012 with no refund due.
[Public Works]

E. Death of retired members:

Frederick C. McDermott, Ret. No. 4227, death occurred December 26, 2011. No benefit payable due to no surviving spouse or dependent children.

Edith V. Mason, Ret. No. 2466, death occurred December 28, 2011. No benefit payable due to no surviving spouse or dependent children.

Leonard W. Midgette, Ret. No. 4022, death occurred December 30, 2011. Spouse elected monthly benefit of \$1,254.72.

Mary T. Germano, Ret. No. 2416, death occurred January 4, 2012. No benefit payable due to no surviving spouse or dependent children.

John R. Adams, Ret. No. 3751, death occurred January 9, 2012. Spouse elected monthly benefit of \$1,030.63.

Anthony Cioccia, Ret. No. 4103, death occurred January 14, 2012. Spouse elected monthly benefit of \$2,286.14.

F. Death of spouses:

Helen W. Johnson, Spouse. No. 503, death occurred December 10, 2011. No benefit payable.

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

<u>Name of Member</u>	<u>Active Number</u>
Clayton Britt	31556
Derek Michael Folston	31907
Jacob Alan Sumner	32105
Tonya M. Carroll	32273
Jonathan C. Arp	33178
Tammy A. Allen	33182
Carolyn E. Bringman	31728
Carla M. Howard	32274
Raleigh Lee Sanderson III	32472
Benjamin C. Harges	32777
Armando Arreaga, Jr.	32796
Joshua E. Myers	32509
Melanie Purcell	33150
Elliott T. Henry	33203
Steven M. Caldwell	33219

Total Members - 15

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

Federal Express		
(1)	\$	139.65
Baker's Crust (2)		168.70
Cheiron, Inc. (3)		7,345.96
State Street Corporation (4)		8,616.21
Retirement Payroll (Payroll est. for February, 2012)		<u>5,940,000.00</u>
 Total		<u><u>\$ 5,956,270.52</u></u>

- (1) Information sent to State Street Corporation et al
- (2) Lunch served for Board Meeting - January 11, 2012
- (3) Retainer Services - December, 2011/Audit/Portability
- (4) Custodial Services - November, 2011

Committee Reports

Administration and Planning:

Ms. Felton reported that the Committee did meet prior to today's meeting. The Committee will provide a report at the March 14, 2012 meeting when there are more Trustees expected to be present.

Investment Management:

The Investment Committee did not meet prior to the Board Meeting today.

Mr. Wilder provided the actuarially determined contributions rates to the Board for approval:

General Employees	19.69%
Public Safety Employees	34.82%

In Section 37 of the Retirement Code, it reads the Retirement Board shall file with the City Manager its Certification of the amount of the appropriation necessary to pay the normal and accrued liability contributions. The Board approved the actuarially contribution rates.

At the last meeting, the Board discussed the experience study with Cheiron. The Board asked Cheiron to provide an estimate for the experience study. Cheiron's estimate is \$20,000. The Board asked Mr. Wilder to contact Cheiron and have them justify the fee of \$20,000 with an itemized list reconciled to the amount.

Mr. Neikirk reminded the Board that this is Mr. Wilder's official last meeting but will return as a part-time employee on April 1, 2012. He thanked Mr. Wilder for his work with the System, and said they would look at planning a lunch before he leaves.

Mr. Neikirk asked that the assumed rate of return discussion be on the next agenda.

The next Retirement Board meeting is schedule for March 14, 2012 at 12:00 noon. No Investment Committee meeting is plan.

There being no further business, the meeting adjourned at 12:37 p.m.

Chairperson

Executive Director