

Minutes of the Regular Monthly Meeting
Board of Trustees
Employees' Retirement System of the City of Norfolk
July 11, 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 12:21 pm on Wednesday, July 11, 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	K. W. Crowder
C.R. Neikirk	
Y.T. Allmond	
L. A. Bernert	
S. Felton	
M.D. Jones	
N. E. Nelson	
E.G. Tucker	

Sheryl Potter-Griggs, Acting Executive Director, Darrell Hill, Assistant City Manager, Mary L.G. Nexsen, Deputy City Attorney, Theodore Wilder, Business Analyst, Jessica Portis, Consultant with Summit Strategies Group, McCall Huston and Harry Lustig, Interns with Wilbanks Smith & Thomas, Claire Little, Interning with the City Attorney's Office, and Iggie Galaz, Alan Isenberg and John Gallagher, with PIMCO, also attended the meeting.

The minutes for the meeting on June 13, 2012 were approved.

New Business

A. Applications for vested service retirement:

Linda Smith Hughes, Active No. 15451, April 1, 2011 with a refund of \$2,598.54 due.
[Courts]

Jose A. Bonilla, Active No. 23572, April 1, 2012 with no refund due.
[Public Works]

Stephanie S. Joy, Active No. 15791, June 1, 2012 with a refund of \$1,795.63 due.
[Finance]

Constance Marie Sweet, Active No. 20059, June 1, 2012 with no refund due.
[Virginia Zoo]

Joice S. Whitehorn, Active No. 25318, September 1, 2012 with no refund due.
[Human Services]

B. Application for early service retirement:

Marion H. Petteway, Active No. 24068, August 1, 2012 with no refund due.
[Recreation, Parks and Open Space]

C. Applications for normal service retirement:

Gloria E. Blount, Active No. 27203, August 1, 2012 with no refund due.
[Human Services]

Robert A. Davis, Active No. 25968, August 1, 2012 with no refund due.
[Police]

Thelma P. Liverman, Active No. 31806, August 1, 2012 with no refund due.
[General Services]

Allan H. Manning, Active No. 23621, August 1, 2012 with no refund due.
[Fire Rescue Services]

Emory W. McCoy, Jr., Active No. 23357, August 1, 2012 with no refund due.
[Fire Rescue Service]

Janet A. McCoy, Active No. 22682, August 1, 2012 with no refund due.
[Executive]

Kenneth E. Schwarz, Active No. 30178, September 1, 2012 with no refund due.
[Utilities]

Frank J. Signorelli, Active No. 23712, September 1, 2012 with no refund due.
[Fire Rescue Services]

D. Recommendations by the Medical Board that the following be retired:

Tori O. Barrett, Active No. 29035, August 1, 2012 with no refund due. This member requested accidental disability retirement. [Public Works]

The Board denied Tori O. Barrett request for accidental disability retirement on the basis of not being eligible.

E. Death of retired members:

Eugene J. Cardman, Ret. No. 2193, death occurred April 23, 2012. Spouse elected monthly benefit of \$380.66.

Horatio C. Hoggard, III, Ret. No. 2050, death occurred June 4, 2012. Spouse elected monthly benefit of \$495.28.

William M. Lewis, Sr., Ret. No. 4290, death occurred June 6, 2012. Spouse elected monthly benefit of \$954.55.

Orvis W. King, Ret. No. 3228, death occurred June 12, 2012. Spouse elected monthly benefit of \$1,042.72.

F. Death of spouse:

Fay W. Owen, Spouse. No. 973, death occurred June 5, 2012. No benefit payable.

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

<u>Name of Member</u>	<u>Active Number</u>
Joel W. Johnson	33515
Kiah D. Thomas	33350
Cheri L. Everett	33363
Colleen E. Sullivan	33427
Teon K. Pinkney	33437
Emily J. Fleck Mitchell	33146
Ulysses Rodriguez	33048
Demetris E. Wooten	32554
Lisa K. Cuffee	31839
Brent C. Baker	31898
Scott A. Williams	32236
Xiolmarie Vega	32293
Thewander D. Davis	32480
Jacquelyn Lopez	32742
Ashley R. Johnson	32751
Cynthia R. Cebrian	32992
Shandra L. Cummings	32997
James C. Alligood	33108
Joyce E. Chambers	33304
Kerri A. Amour	31558
Dawn A. Kalinowski	32791
Michael B. Zimmerman	33206
Patrick Dale	33223
Dawn F. Griffith	33167

Total Members – 24

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

Baker's Crust (1)	\$ 137.53
Troutman Sanders LLP (2)	753.25
Mary Lou Nexsen (3)	1,426.76
Cheiron (4)	4,577.44
State Street Bank and Trust (5)	18,183.87
Retirement Payroll (Payroll est. for June, 2012)	<u>6,000,000.00</u>
 Total	 <u>\$ 6,025,078.85</u>
(1)	Lunch served for Board Meeting - June 13, 2012
(2)	Professional Services - Evelyn Traub / IRS Determination Letter
(3)	Reimbursement - NAPPA Conference June 26-29, 2012:
	Hotel 905.38
	Transportation 365.10
	Meals 156.28
	<u> \$ 1,426.76</u>
(4)	Retainer Services - May 2012 / Portability Calculations
(5)	Custodial Services - April and May 2012

Committee Reports

Administration and Planning:

Ms. Felton reported that the Committee did not have a meeting.

Investment Management:

The Investment Committee met prior to the Board Meeting. Mr. Neikirk reported that the Committee heard from our Fixed Income Manager, PIMCO. They gave a review of where the bond market has been, their performance and how they have positioned the portfolio. Mr. Neikirk urged the Board to review the remainder of the PIMCO reading material that was not covered in the meeting. We also received from Jessica an update on the Flash report. The pension fund assets as of June 30, 2012 were \$842 million. This would bring the funded status to approximately 79%. The Committee received information on PIMCO's Unconstrained Bond Fund. The fund is designed to provide investors the traditional benefits of a core bond fund, but with higher alpha potential and the opportunity to mitigate downside risk. Mr. Bernert shared with the Board some slides from John Bogle, Vanguard Founder. One of the slides shows the contrast between his expected returns and those used by many in the pension industry. The slide shows that for defined benefit plans similar to NERS, over the coming decade, returns are expected to be 5.3%.

Mrs. Portis informed the Board that more education is coming as we discuss the impact on portfolio positioning.

Ms. Calliott informed the Board that in their materials was a letter from our Actuary, Cheiron, regarding the experience study. After discussion, Mr. Bernert made a motion to have the Administration and Planning Committee work with Cheiron in doing a full experience study. This motion was seconded by Mr. Neikirk and approved unanimously by the Board.

Ms. Calliott notified the Board that a letter from the Government Finance Officers Association (GFOA) was received stating that our comprehensive annual financial report (CAFR) for the fiscal year ended June 30, 2011, qualified for a Certificate of Achievement for Excellence in Financial Reporting. The Certificate of Achievement is the highest form of recognition in governmental accounting and financial reporting, and its attainment represents a significant accomplishment by a government and its management. The Board congratulated staff for this award.

The next Retirement Board meeting is scheduled for August 08, 2012 at 12:00 noon. There will be no Investment Committee Meeting for August.

There being no further business, the meeting adjourned at 1:15 p.m.

Chairperson

Executive Director