

Minutes of the Regular Monthly Meeting
Board of Trustees
Employees' Retirement System of the City of Norfolk
March 14, 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, March 14, 2012 with Vice Chair, Christopher R. Neikirk presiding. The following was the result of the roll call:

Attending the Meeting

C.R. Neikirk
E.G. Tucker
N.E. Nelson
K.W. Crowder
Y.T. Allmond
S. Felton
M.D. Jones

Absent

S.A. Calliott
L.A. Bernert

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

The minutes for the meeting on February 8, 2012 were approved.

Mrs. Jessica Portis discussed the economy and the Preliminary Flash Report as of February 29, 2012. The flash report does not have the UBS totals because they compute on a quarterly basis. We will receive their percentages March 31, 2012. The total fund composite is at \$862.7 million with a one-month return of 2.81% and a fiscal year to date return of 1.62%. The approximate funded status is 81%.

There was a question as to if the Flash Report is set up on calendar year or fiscal year basis. It was determined that it is set up on a calendar year basis but this will be confirmed with Summit.

Mr. Neikirk said that there are two items that will be deferred until the April 11, 2012 meeting:

1. Administration and Planning Committee Report
2. Assumed Rate of Return Discussion (April's Investment Committee Meeting)

At the December 14, 2011 Retirement Board Meeting, Mrs. Nexsen discussed the Pension System's IRS Tax Determination Letter that is dated March 24, 1976. The Determination Letter needed to be updated. In the December meeting, the Trustees approved the hiring of Troutman Sanders, a law firm in Richmond, Virginia, with fees up to \$10,000 to review Chapter 37, and to advise about obtaining a new Determination Letter.

An amending ordinance needs to be adopted by City Council and was submitted to the City Manager's office on March 5, 2012 in order to update Chapter 37 before the Determination Letter filing. There is a voting meeting of the City Council on March 27, 2012 and once the ordinance is adopted, Mrs. Nexsen can send Troutman Sanders the revised Chapter 37. There are IRS filing fees, and the Board will need to authorize the filing fees.

The changes are not significant to Chapter 37. One change is related to eligible rollover distribution for monies that are in contributions in the fund. The other change is related to a new law—the HEART Act. This relates to someone who works for the City and has to leave for military service.

If the person dies while in military service, then we have to consider this individual as if he were in active service working for the City at the time of death.

The Board approved the \$10,000 for the IRS filing fees for Form 5300 so that the Employees' Retirement System can receive a new IRS Determination Letter. This work will be handled with Troutman Sanders to obtain the new Determination Letter.

New Business

A. Applications for vested service retirement:

Sandra P. Pitchford, Active No. 28216, May 1, 2007 with no refund due.

[\[Finance\]](#)

Coston Pernell Harold, Active No. 16887, December 1, 2010 with a \$349.06 refund due.

[\[Lake Taylor\]](#)

Patricia Ann Millington, Active No. 15766, November 1, 2011 with a \$1,568.82 refund due.

[\[General Services\]](#)

Marsha Roberts Parrish, Active No. 16726, December 1, 2011 with a \$529.83 refund due.

[\[ISF-Reprographics\]](#)

Donald I. Hampton, Active No. 27994, February 1, 2012 with no refund due.

[\[Police\]](#)

Susan Denise Montgomery, Active No. 17431, March 1, 2012 with no refund due.

[\[Police\]](#)

Frances D. Flick, Active No. 23337, April 1, 2012 with no refund due.

[\[Elections\]](#)

Joanna L. Huston, Active No. 23638, April 1, 2012 with no refund due.

[\[Utilities\]](#)

Brenda H. Nelson, Active No. 23958, April 1, 2012 with no refund due.

[\[Human Services\]](#)

B. Application for early service retirement:

David O. Dixon, Active No. 25869, April 1, 2012 with no refund due.

[\[Fire Rescue Services\]](#)

Deborah E. Morton, Active No. 29677, April 1, 2012 with no refund due.

[\[Recreation, Parks and Open Space\]](#)

Carl E. Faulks, Active No. 26635, May 1, 2012 with no refund due.

C. Applications for normal service retirement:

Raymond L. Reams, III, Active No. 22887, April 1, 2012 with no refund due.

[\[Human Resources\]](#)

Aubrey Silvers, Active No. 25200, April 1, 2012 with no refund due.

[\[Utilities\]](#)

Dale E. Stacey, Active No. 24394, April 1, 2012 with no refund due.

[\[Police\]](#)

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

Sherrod M. Brown, Sr., Active No. 28364, April 1, 2012 with no refund due. This member requested ordinary disability retirement. [\[Police\]](#)

The Board of Trustees deferred Sherrod M. Brown's request for ordinary disability retirement for the April 11, 2012 meeting requesting that further information be provided.

E. Death of retired members:

Florrie L. Daniels, Ret. No. 2252, death occurred January 5, 2012. No benefit payable due to no surviving spouse or dependent children.

Sidney B. Midgett, Ret. No. 2806, death occurred January 6, 2012. No benefit payable due to no surviving spouse or dependent children.

Ophelia N. Blount, Ret. No. 2589, death occurred January 18, 2012. No benefit payable due to no surviving spouse or dependent children.

Henry J. Jablonski, Ret. No. 1720, death occurred January 23, 2012. No benefit payable due to no surviving spouse or dependent children.

Francis L. Byrd, Ret. No. 3386, death occurred January 27, 2012. Spouse elected monthly benefit of \$933.39.

Claude C. Huffaman, Ret. No. 4277, death occurred January 27, 2012. No benefit payable due to no surviving spouse or dependent children.

Robert S. Leonard, Jr., Ret. No. 4170, death occurred February 9, 2012. Spouse elected monthly benefit of \$1,249.27.

Shirley M. Howard, Ret. No. 5034, death occurred February 10, 2012. No benefit payable due to no surviving spouse or dependent children.

Theresa M. Decker, Ret. No. 3840, death occurred March 2, 2012. No benefit payable due to no surviving spouse or dependent children.

Harvey L. Cox, Jr., Ret. No. 4628, death occurred March 6, 2012. Spouse elected monthly benefit of \$1,757.52.

Evelyn H. Norden, Ret. No. 3669, death occurred March 6, 2012. No benefit payable due to no surviving spouse or dependent children.

F. Death of spouses:

Charlotte G. Elder, Spouse. No. 759, death occurred January 9, 2012. No benefit payable.

Ora W. Wilson, Spouse. No. 586, death occurred February 3, 2012. No benefit payable.

Renee H. Yates, Spouse. No. 624, death occurred February 5, 2012. No benefit payable.

Helen Ann Massey, Spouse. No. 1034, death occurred February 26, 2012. No benefit payable.

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

| <u>Name of Member</u> | <u>Active Number</u> |
|------------------------|----------------------|
| David William Parks | 31789 |
| Robyn N. Lant | 31805 |
| Temika Shante Thompson | 31865 |
| Kisha D. King | 31892 |
| Stacey L. Thomas | 31931 |
| Quetzy Tarrats | 32060 |
| Jennifer A. Stegina | 32100 |
| Lisa K. Schnurbusch | 32104 |
| Gretchen M. Truax | 32285 |
| Travis Matthews | 32304 |
| Shawn M. Ford | 32320 |
| Vanessa P. Smith | 32406 |
| Timothy D. Keough | 32486 |
| Shanelle Benjamin | 32549 |
| Melinda Dubaj | 32639 |
| Joseph G. Pezzella | 32714 |
| Joshua J. Marker | 32821 |
| Scott Pollard | 33312 |
| Chad Quigley | 33124 |
| Lydia Slone | 33133 |
| Christina N. Wheelless | 33205 |
| Jessica E. Thornton | 33259 |
| Christopher M. Brucato | 33336 |
| Elbert Clemmons | 33337 |
| Michael Williford | 33353 |

Total Members - 25

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



| | |
|---|-------------------------------|
| Federal Express (1) | \$ 23.05 |
| Theodore O. Wilder (2) | 26.69 |
| Baker's Crust (3) | 126.39 |
| The Virginian-Pilot (4) | 166.00 |
| The Wall Street Journal (5) | 187.20 |
| Cheiron, Inc. (6) | 4,898.79 |
| Troutman Sanders LLP (7) | 5,019.75 |
| State Street Bank and Trust (8) | 21,819.81 |
| Summit Strategies, Inc. (9) | 45,843.75 |
| Retirement Payroll (Payroll est. for March, 2012) | <u>5,890,000.00</u> |
| Total | <u>\$ 5,968,111.43</u> |

- (1) Information sent to State Street Bank and Trust
- (2) Reimbursement - Board Meeting supplies
- (3) Lunch served for Board Meeting - February 8, 2012
- (4) One year subscription renewal
- (5) One year subscription renewal
- (6) Retainer Services - January 2012 / Travel to attend 01/12 Board meeting
- (7) Professional Services - Evelyn Traub / IRS Determination Letter
- (8) Custodial Services - December 2011 and January 2012
- (9) Investment Consulting Services - January, February and March 2012

State Street has asked us to update the Incumbency Certificate we have on file with them. The previous one filed in August 1, 1994 had signatures of the Chair, Vice-Chair, Director of Finance, and Executive Director. The recommendation is to update the Incumbency Certificate with the names of the current Chair, Vice-Chair, Acting Director of Finance, Executive Director and Deputy Executive Director until such time that a new permanent Executive Director is hired. The Trustees approved this recommendation.

Committee Reports

Administration and Planning:

Committee report is deferred until the April 11, 2012 meeting.

Investment Management:

The Investment Committee did not meet prior to the Board Meeting today. Mr. Neikirk reported that Jessica Portis provided an update on the Fund. We are off to a fairly good start and we hope this will continue.

The Board previously had asked that Cheiron provide explain or justify the cost of \$20,000 for the Experience Study. One of the questions that the Board had is what specific information will be provided that they do not already know. There was also discussion on why this information can't be accomplished every two years, or every other month under the agreement in place now where Cheiron is paid \$60,000. The Trustees still are uncertain of the necessity of this study and the consequences should they let it go another year.

The Board asked Sheryl Potter-Griggs to have Cheiron, Fiona Liston, available for a conference call for the April meeting to discuss their questions. Mary Lou Nexsen asked that the municipal retirement association members be contacted on if their Actuary provides a Experience Study, how often, and the cost.

Mr. Neikirk asked that the assumed rate of return discussion be on the Investment Committee agenda for April. Summit will also be available for discussion on the Fund.

The next Retirement Board meeting is scheduled for April 11, 2012 at 12:00 noon. There will be an Investment Committee Meeting at 11:00 a.m.

There being no further business, the meeting adjourned at 1:25 p.m.

Chairperson

Executive Director